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CITY & TOWN

Mitchell Adams, Commissioner
Robert H. Marsh, Deputy Commissioner

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School Building Assistance Grants

The School Building Assistance program, often referred to as SBAB or the school construction program, is one of the "Cherry Sheet" aid programs that is funded annually in the state budget. Established in 1948, this is one of the oldest state aid programs on the Cherry Sheet. However, due to recent amendments and the extension of the program through FY96, there were many questions surrounding the SBAB program during the budget process last spring. As a result, we are taking this opportunity to outline the objectives and components of the program, explain how the projects are selected and prioritized and, finally, describe how and when the grants are funded.

Objectives and Components

The SBAB program was established to provide financial assistance to municipalities and regional school districts to plan and construct school buildings. Projects can be new buildings, additions, renovations and major building repair projects. Any municipality or regional school district may apply for a school construction grant to cover a portion of the cost of an approved school project.

The SBAB grants are line items in the annual state budget. There are a total of five different school building assistance accounts. They are: *First Annual Payments for Desegregation Projects*; *All Other First Annual Payments*; *Ongoing Payments*; *Other Reimbursable Costs;* and *Safety Projects*. Note that the *Safety Projects* accounts are included in the state budget, but the payments are not included on municipalities' or regional school districts' Cherry Sheets.

Selection and Prioritization

To participate in the program, municipalities and regional school districts must file capital project applications with the Governance, Environmental and Structural Support Services Cluster of the Department of Education. Then, each June all completed applications are reviewed, and those that are accepted are prioritized according to criteria established by the state legislature. The ranked projects are submitted to the Board of Education at its monthly meeting to establish the order of project approval in the next fiscal year.

Established in 1948, SBAB is one of the oldest state aid programs on the Cherry Sheet.

The SBAB project priority formula was outlined in recent amendments to the SBAB Act. The priority list begins with special projects (if there are any), followed by the category 1, then category 2 and finally category 3 projects. The category 1 projects are designed to correct racial imbalance. Category 2 projects either relieve or prevent overcrowded conditions or make necessary repairs in an effort to mitigate accreditation issues. The last category of projects, category 3, includes projects designed to improve facilities and programs and possibly extend the life of school buildings. It is important to note that since FY91, each year's state budget has maintained the order and priority of projects on the prior years' annual list for categories 2 and 3. Simply put, the balance of the FY95 SBAB list was given priority in the FY96 budget so that the projects remaining from FY95 are prioritized for FY96.

Funding

Each fiscal year the legislature approves the annual SBAB authorization, which allows the Board of Education to approve grants during the year. The legislature agrees to fund these grants in the following fiscal year from the *All Other First Annual Payments* account. Grants for desegregation projects are funded from the category 1 *First Annual Payments for Desegregation Projects* account.

The *Ongoing Payments* account provides for all second and subsequent payments of approved school construction grants. The *Other Reimbursable Costs* account provides for other construction related activities including: reimbursement for leases for vocational space and reimbursement

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in Our Opinion

Q: *A taxpayer who owned 20 acres of classified farmland recently recorded a subdivision plan. The taxpayer in September 1995 filed a Chapter 61A application for fiscal year 1997. May the parcel continue to qualify for classification or would the recording of the subdivision plan trigger the imposition of penalty taxes?*

A: The parcel can continue to qualify for classification under M.G.L. Ch.61A provided that the land continues to be actively farmed. The assessors must determine eligibility by the actual use of the land and may not deny a request for classification based on some prospective change in use. The landowner is not liable for the roll-back tax (M.G.L. Ch.61A Sec.13) or the conveyance tax (M.G.L. Ch.61A Sec.12) unless the land is converted to a non-agricultural use. Such was the decision of the Appellate Tax Board in *NMB Wetstone v. Board of Assessors of East Longmeadow*, A.T.B. No. 141874 (1987). In its decision, the ATB held that "the assessors cannot accelerate the triggering of roll-back taxes or conveyance tax provided by the statute by a subjective determination that a taxpayer's primary 'use' of his horticulturally classified property is to develop the parcel for industrial or other sale while the property is actually being used to grow vegetables."

Q: *Are districts which assess taxes on individual taxpayers, such as fire and water districts, subject to the levy limits of Proposition 2½?*

A: No. Proposition 2½ (M.G.L. Ch.59 Sec.21C) limits the annual property tax levy of cities and towns. Districts that levy taxes on property owners within the district are not subject to any limitations on the total taxes assessed. However, there is an assessment limitation provision which applies to those districts which directly assess cities and towns, such as counties and local authorities. By its terms, M.G.L. Ch.59 Sec.20A establishes an annual assessment limit for certain governmental entities authorized by law to assess costs, charges or fees upon cities and towns, except regional school districts. M.G.L. Ch. 59 Sec.20A limits the increase in annual assessments for these governmental entities to 102.5 percent of the prior year's total assessment. However, the allocation of the assessment to its member communities can be above or below the 102.5 percent. This statute also permits an increase in the limit for "any increases in costs, charges or fees for services customarily provided locally or for services subscribed to at local option." This means that if a member community requests that the district provide increased services, then that community's assessment may be increased to recover those additional costs.

Q: *On July 14, 1995 a town department submitted to the accountant a list of outstanding bills to be encumbered from the fiscal year 1995 budget. When the department later submitted vouchers for payment, the accountant noticed that some of the invoices were dated after June 30, 1995. Could payment still be made from the encumbered funds?*

A: M.G.L. Ch.40 Sec.56 provides that the fiscal year runs from July 1 to June 30 and the annual budget authorizes town departments to expend only for obligations incurred during that fiscal year. Appropriated funds may be encumbered at the end of the fiscal year if goods cannot be delivered or services rendered prior to June 30 **provided that a commitment to purchase has been made during that fiscal year**. Evidence of a commitment may be a purchase order, accepted bid or a signed contract. In this instance, the accountant must determine whether there was a binding agreement to purchase the items in question prior to July 1. Evidence of such an agreement, for example, would be a purchase. The accountant then must obtain additional information to approve payment from fiscal year 1995 encumbered funds. ■

School Building Assistance Grants

➡ *continued from page one*

for capital costs associated with a buy-in to a regional school district.

SBAB grants fund between 50 and 90 percent of the projects' financing costs. Each municipality's level of reimbursement is specified by statute. However, reimbursement for all projects to reduce or eliminate racial imbalance is 90 percent. The level of reimbursement for regional school districts is calculated by multiplying the capital assessment ratio for each member municipality (as established by regional agreement) by the grant percentage as specified by statute and summing the results. The number of payments received by the grant recipient is equal to the number of years for which indebtedness is incurred to finance the project, but not less than five or more than 20 years.

Municipalities and districts typically receive the grant payment for each project on an annual basis during the quarter in which the project's construction started. Municipalities must submit evidence that a project has started in order to receive a *First Annual Payment*. The *First Annual Payment* is made in the next fiscal year after the project has started. The final grant payment is made only after both the project and the project audit are completed. ■

Focus on Municipal Finance

Trends in Motor Vehicle Excise Tax Collections

Periodically *City & Town* examines various trends in the collection of the Motor Vehicle Excise (MVE) tax. As part of our analysis of MVE collections, we begin by describing the MVE billing and collection process as well as local enforcement options for delinquent accounts. However, our primary analysis focuses on trends in MVE tax collections throughout the state and examines MVE as a source of local revenues. We finish the article with a brief look at the impact that marking vehicles' registrations for non-renewal has had on MVE collections over the last three years.

M.G.L. Ch.60A Sec.2A mandates an annual excise payment as a requirement for registering a vehicle in Massachusetts. The bills for these payments can be printed by the Registry of Motor Vehicles (RMV) at a cost of 15 cents per bill or by individual cities or towns. The cost of printing these bills is assessed through the Cherry Sheet assessment program, Motor Vehicle Excise (line B2). On the FY87 Cherry Sheet, 332 communities were charged for the printing of MVE bills. Since then, more and more cities and towns have begun printing their own bills. On the FY96 Cherry Sheet only 40 communities are being assessed the cost of the RMV printing the MVE bills.

The legislature passed an amendment to M.G.L. 60A Sec.2A, (Ch.653 Sec.46 of the Acts of 1989), which gave municipalities a new enforcement mechanism for delinquent MVE accounts. This amendment expanded the RMV Non-Renewal Surcharge program, another Cherry Sheet assessment program, and authorized the RMV to begin "marking" a license or registration for non-payment of the motor vehicle excise tax 14 or more days after the mailing of a demand for payment. This marking system prevents vehicle owners from renewing their registrations or drivers' licenses until full payment of the outstanding MVE plus late charges and fees has been made. A marking charge of $20 is added to the delinquent bill and is collected by the municipality. Then, each September the Registrar certifies the total number of accounts which had been previously marked and for which all payments due were made during the preceding year. This certification is used to assess cities and towns for marking charges on the Cherry Sheet assessment, RMV Non-Renewal Surcharge (line B9).

Methodology

The data for our analysis of MVE tax collections is derived from each community's annual Tax Recapitulation Sheet. For FY95, actual MVE collection data was used for those communities that have finalized their FY96 Tax Recapitulation Sheets. For those communities whose FY96 data had not been finalized at the time of this writing, the official FY95 estimates (which are derived from the FY95 Tax Recapitulation Sheet) were used.

Trends in MVE Collections

As indicated in *Figure 1*, the statewide MVE revenues have varied significantly from one year to the next. FY89 saw a dramatic increase of 26 percent over the FY88 total of $266.9. This increase however, was due in part to the installation of a new RMV computer system which caused a backlog of MVE bills. As a result, some MVE bills from FY87 and FY88 were not collected until FY89. MVE collections were fairly stable from FY90-FY92; they ranged from $281.5 to $285.3 million. In FY93, MVE collections rose 13.7 percent or $38.7 million over the previous year. The FY94 MVE collections decreased 4.0

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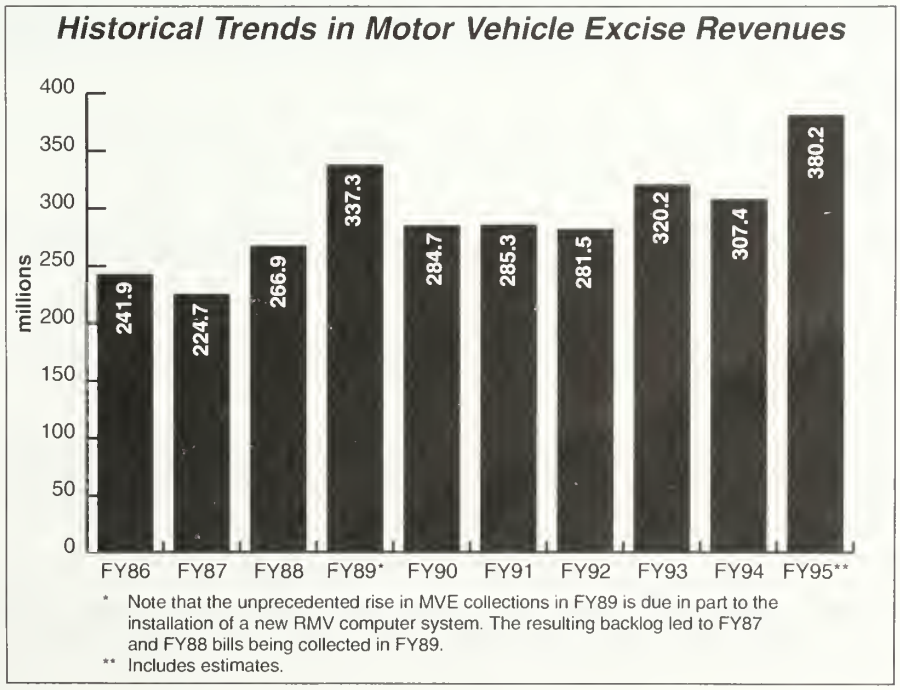
Figure 1



Motor Vehicle Excise Tax Collections FY93-FY95

Municipality	FY93 Collections	FY94 Collections	FY95 Collections	Average Age of Vehicles 1/1/95
Abington	631,395	656,903	786,584	7.5
Acton	1,346,147	1,292,943	1,642,551	6.4
Acushnet	422,378	436,240	517,972	8.2
Adams	418,363	451,038	484,381	7.6
Agawam	1,687,663	1,647,149	1,924,488	7.4
Alford	44,808	40,673	39,963	7.1
Amesbury	647,056	705,339	921,362	7.3
Amherst	824,399	816,574	1,026,404	7.5
Andover	2,190,376	2,338,714	3,022,553	6.3
Arlington	2,514,403	2,206,091	2,858,747	6.9
Ashburnham	293,483	274,150	351,417	7.2
Ashby	213,861	139,021	185,476	7.7
Ashfield	66,633	102,057	104,716	7.4
Ashland	789,088	801,919	1,091,096	6.9
Athol	447,007	528,720	519,162	7.9
Attleboro	1,911,130	1,885,770	1,900,000*	7.6
Auburn	1,050,039	985,914	1,403,438	6.7
Avon	398,948	374,471	509,209	7.3
Ayer	340,867	376,533	479,288	7.3
Barnstable	2,745,209	2,849,891	3,594,365	7.5
Barre	214,350	204,739	288,339	7.4
Becket	86,499	103,898	94,741	7.7
Bedford	808,622	706,914	1,057,428	6.7
Belchertown	450,744	609,348	673,551	7.6
Bellingham	715,799	874,988	903,024	7.4
Belmont	1,483,118	1,615,717	1,747,757	6.8
Berkley	225,253	239,661	324,207	7.4
Berlin	137,304	127,347	153,619	8.4
Bernardston	113,970	112,906	130,627	8.0
Beverly	2,015,446	2,077,958	2,313,167	7.2
Billerica	2,084,929	2,066,053	2,873,723	7.2
Blackstone	378,078	402,992	497,504	7.8
Blandford	67,035	74,781	70,000*	8.2
Bolton	241,298	264,193	317,291	6.8
Boston	30,032,853	21,704,018	24,476,520	7.2
Bourne	994,306	953,315	1,146,608	7.1
Boxborough	239,886	273,562	365,575	6.4
Boxford	531,684	570,631	826,790	6.4
Boylston	260,791	331,808	313,137	6.7
Braintree	2,320,389	2,122,085	2,969,685	6.8
Brewster	524,781	524,084	649,364	7.5
Bridgewater	833,248	1,128,714	1,323,053	7.2
Brimfield	164,933	162,297	216,157	7.7
Brockton	3,062,574	3,304,630	4,317,806	8.2
Brookfield	170,059	152,805	210,370	7.1
Brookline	3,240,749	2,775,675	3,604,430	6.5
Buckland	83,405	89,257	90,079	8.3
Burlington	1,916,627	1,690,083	2,117,119	6.4
Cambridge	3,353,825	2,923,459	3,571,220	7.6
Canton	1,586,270	1,599,073	1,915,088	6.3
Carlisle	357,292	393,382	466,065	6.7
Carver	544,453	519,295	620,949	7.5
Charlemont	54,175	51,446	48,000*	8.7
Charlton	522,001	611,704	695,022	7.0
Chatham	523,041	596,864	596,564	7.6
Chelmsford	2,194,560	2,078,302	2,615,156	6.8
Chelsea	821,362	764,781	1,219,305	8.3
Cheshire	163,559	193,259	202,574	7.3
Chester	72,589	64,493	77,163	8.3
Chesterfield	54,444	57,914	56,628	8.2
Chicopee	2,366,936	2,336,175	3,117,951	8.2
Chilmark	60,489	63,355	73,382	10.0
Clarksburg	91,916	87,467	94,064	7.4
Clinton	604,114	578,672	712,963	7.6
Cohasset	577,136	579,063	721,001	6.8
Colrain	73,386	82,911	102,597	8.0
Concord	1,313,852	1,093,160	1,791,372	6.5
Conway	75,670	91,910	110,056	7.2
Cummington	50,443	40,506	47,639	8.3
Dalton	406,997	411,377	475,204	6.6
Danvers	1,675,216	1,690,186	2,160,904	6.7
Dartmouth	1,504,661	1,411,729	1,700,797	7.8
Dedham	1,584,012	1,599,704	1,991,122	7.0
Deerfield	339,377	313,900	398,512	7.6
Dennis	988,761	781,128	1,280,730	7.6
Dighton	310,851	291,533	371,432	7.9
Douglas	289,806	268,061	381,741	7.6
Dover	459,060	584,355	673,848	6.5
Dracut	1,191,143	1,294,464	1,811,165	7.4
Dudley	469,701	464,065	464,000*	7.1
Dunstable	161,634	147,568	212,980	7.1
Duxbury	1,193,578	1,048,250	1,498,004	6.4
East Bridgewater	550,946	560,582	692,762	7.8
East Brookfield	102,643	150,732	146,724	7.4
East Longmeadow	872,017	678,278	1,090,976	7.3
Eastham	413,468	295,300	343,831	8.0
Easthampton	741,633	661,184	805,060	7.9
Easton	1,251,237	1,405,688	1,563,115	6.8
Edgartown	242,611	244,253	271,793	9.2
Egremont	96,228	90,759	102,492	7.5
Erving	56,702	66,659	61,729	7.9
Essex	205,809	230,704	250,411	7.3
Everett	1,300,746	1,279,957	1,795,203	7.9
Fairhaven	680,775	609,255	821,011	8.1
Fall River	2,599,589	2,944,361	2,800,000*	8.3
Falmouth	1,967,720	1,560,092	2,116,354	7.5
Fitchburg	1,394,318	1,580,005	1,790,982	7.8
Florida	24,067	30,656	37,183	8.4
Foxborough	911,293	1,182,154	1,363,003	6.6
Framingham	4,474,882	3,929,701	4,729,377	6.8
Franklin	1,504,382	1,266,196	1,936,582	6.6
Freetown	474,735	506,168	542,209	7.6
Gardner	840,801	853,293	952,182	7.2
Gay Head	17,676	18,301	18,000*	9.9
Georgetown	377,578	422,179	536,355	7.0
Gill	78,703	70,739	73,788	7.8
Gloucester	1,368,098	1,401,395	1,676,925	7.5
Goshen	43,698	40,400	40,400*	7.8
Gosnold	2,844	27	2,000*	9.3
Grafton	816,556	818,483	959,766	6.9
Granby	273,508	310,176	317,761	8.0
Granville	73,661	73,010	101,920	8.5
Great Barrington	449,551	418,240	485,351	7.0
Greenfield	734,244	796,384	932,713	8.0
Groton	485,854	541,896	624,203	6.8
Groveland	254,508	295,791	380,438	7.2
Hadley	253,365	238,373	283,731	7.8
Halifax	334,112	356,482	426,965	7.4
Hamilton	482,715	499,075	565,459	7.1
Hampden	271,917	265,666	344,715	7.7
Hancock	35,853	49,746	40,332	7.4
Hanover	854,599	724,370	1,130,955	6.7
Hanson	491,649	495,751	618,441	7.5
Hardwick	121,603	102,262	130,649	8.4
Harvard	414,359	347,357	463,878	6.5
Harwich	725,068	683,470	790,495	7.7
Hatfield	219,494	194,733	320,141	7.7
Haverhill	2,266,232	2,392,105	2,973,500	7.3
Hawley	14,182	11,847	14,411	9.0
Heath	28,190	26,038	28,000*	7.7
Hingham	1,484,305	1,551,727	2,183,788	6.6
Hinsdale	105,106	84,020	113,073	7.6
Holbrook	597,308	564,748	713,636	7.5
Holden	1,010,891	1,000,561	1,169,976	6.4
Holland	104,848	129,267	119,618	7.7
Holliston	939,462	913,539	1,106,258	6.6
Holyoke	1,354,759	1,201,856	1,445,475	8.8
Hopedale	320,475	283,852	365,098	6.8
Hopkinton	748,299	882,000	1,049,234	6.5
Hubbardston	154,100	208,564	226,290	7.3
Hudson	987,919	920,825	1,255,599	7.1
Hull	459,823	476,780	578,026	7.4
Huntington	104,887	99,936	121,287	8.3
Ipswich	861,725	701,725	966,154	7.2
Kingston	640,314	441,301	871,707	7.1
Lakeville	510,347	511,378	625,857	7.1
Lancaster	279,459	271,746	381,105	7.7
Lanesborough	180,507	194,209	211,228	7.2
Lawrence	1,148,920	1,642,477	1,665,405	8.9
Lee	326,952	361,617	403,101	7.3
Leicester	475,041	482,147	570,558	7.2
Lenox	307,356	364,941	411,094	6.6
Leominster	1,978,199	1,991,217	2,592,894	7.2
Leverett	84,992	88,487	98,658	8.2
Lexington	2,266,889	2,093,043	2,607,583	6.5
Leyden	25,675	39,088	30,294	7.8
Lincoln	470,386	442,200	448,341	6.6
Littleton	507,480	500,544	651,257	7.0
Longmeadow	1,240,338	1,280,328	1,461,149	6.6
Lowell	2,973,859	3,182,653	3,698,151	8.2
Ludlow	837,670	1,002,243	1,016,085	8.0
Lunenburg	571,423	536,480	658,529	7.4
Lynn	2,391,767	2,432,855	2,431,046	8.4
Lynnfield	1,017,919	1,025,747	1,251,086	6.5
Malden	1,887,764	2,066,523	2,850,054	7.4
Manchester	422,947	419,436	501,727	7.1
Mansfield	1,241,220	1,247,631	1,472,133	6.6
Marblehead	1,583,246	1,536,175	1,914,217	6.9
Marion	322,896	264,629	348,151	7.2
Marlborough	2,001,702	1,949,718	2,483,930	6.9
Marshfield	1,353,045	1,436,736	1,724,618	7.0
Mashpee	610,792	532,284	708,217	7.0
Mattapoisett	388,260	371,996	436,888	7.2
Maynard	521,988	499,345	820,158	7.0
Medfield	844,680	846,904	950,421	6.3
Medford	2,478,405	2,527,712	3,205,288	7.4
Medway	587,439	650,004	779,486	6.7
Melrose	1,467,370	1,372,193	1,740,613	7.0
Mendon	260,660	268,976	381,418	7.0
Merrimac	271,415	300,674	300,674*	7.1

Municipality	FY93 Collections	FY94 Collections	FY95 Collections	Average Age of Vehicles 1/1/95
Methuen	1,963,838	2,007,790	2,354,674	7.4
Middleborough	827,259	835,620	1,073,326	7.9
Middlefield	19,459	20,559	27,698	8.0
Middleton	349,709	374,018	501,866	7.2
Milford	1,363,492	1,344,810	1,700,005	7.1
Millbury	669,686	610,255	909,107	7.0
Millis	494,986	454,402	617,682	7.1
Millville	112,414	122,387	160,861	7.9
Milton	1,626,553	1,638,873	1,975,300	6.8
Monroe	2,738	6,677	6,547	7.6
Monson	376,023	305,884	570,519	8.0
Montague	351,372	330,821	448,110	8.3
Monterey	44,216	54,898	69,634	7.7
Montgomery	53,934	42,319	52,333	8.1
Mount Washington	10,669	10,854	13,877	8.6
Nahant	228,801	261,150	267,765	7.3
Nantucket	589,217	819,810	829,244	9.0
Natick	2,342,240	2,023,141	2,683,544	6.6
Needham	2,344,757	2,100,749	3,000,606	6.2
New Ashford	8,234	12,857	13,991	8.7
New Bedford	2,874,352	2,729,842	3,347,657	8.5
New Braintree	35,396	44,069	48,447	7.7
New Marlborough	71,647	82,542	106,120	8.3
New Salem	30,710	41,801	53,161	8.0
Newbury	391,227	380,059	484,803	7.2
Newburyport	1,000,994	840,555	1,138,831	6.9
Newton	5,887,885	5,738,323	7,283,961	6.4
Norfolk	614,530	615,659	742,698	6.4
North Adams	513,342	613,152	645,813	7.8
North Andover	1,691,861	1,672,840	2,139,509	6.4
North Attleborough	1,409,480	1,438,572	1,742,995	7.1
North Brookfield	208,737	198,600	262,375	7.7
North Reading	767,112	981,416	1,143,470	7.0
Northampton	1,268,776	1,184,391	1,438,251	7.7
Northborough	997,152	931,094	1,313,822	6.5
Northbridge	530,000	641,227	710,051	7.6
Northfield	120,420	148,478	167,585	7.7
Norton	905,630	816,514	1,224,463	7.1
Norwell	748,609	726,676	1,046,613	6.6
Norwood	1,985,522	1,943,651	2,527,109	6.7
Oak Bluffs	192,733	175,153	316,881	8.9
Oakham	79,311	82,749	98,941	7.2
Orange	272,806	290,893	347,543	8.5
Orleans	466,986	416,827	589,742	8.1
Otis	80,513	72,758	103,059	7.6
Oxford	666,203	665,450	873,306	7.1
Palmer	547,236	549,564	699,990	8.2
Paxton	276,027	269,328	342,827	6.5
Peabody	2,600,774	2,676,565	3,314,673	7.1
Pelham	80,264	70,346	72,695	7.4
Pembroke	878,403	864,249	1,084,082	7.2
Pepperell	515,701	516,847	667,764	7.4
Peru	37,227	32,000	36,026	7.9
Petersham	50,360	60,120	68,102	7.2
Phillipston	64,673	59,174	58,742	8.0
Pittsfield	2,368,932	2,310,541	2,750,986	7.1
Plainfield	29,813	21,724	34,574	8.6
Plainville	443,124	420,537	556,357	6.9
Plymouth	2,270,108	2,908,741	3,186,234	7.1
Plympton	118,052	145,754	167,674	7.5
Princeton	250,196	226,134	281,087	6.8
Provincetown	224,888	209,982	248,884	8.1
Quincy	4,092,864	4,094,703	4,943,595	7.1
Randolph	1,937,512	1,617,073	2,172,340	7.0
Raynham	671,572	666,752	891,172	7.1
Reading	1,461,056	1,403,729	1,773,661	6.7
Rehoboth	601,043	583,881	705,148	7.8
Revere	1,574,758	1,738,281	1,768,308	7.9
Richmond	123,849	118,075	149,003	6.6
Rochester	262,852	265,607	265,600*	7.7
Rockland	619,588	854,661	946,350	7.5
Rockport	407,897	377,915	499,143	7.1
Rowe	19,260	18,957	23,586	7.5
Rowley	250,908	270,998	306,795	7.4
Royalston	35,364	35,364	35,300*	8.6
Russell	76,807	77,492	76,908	8.2
Rutland	289,042	321,355	368,669	7.0
Salem	1,604,120	1,538,394	1,959,310	7.7
Salisbury	408,892	367,623	447,484	7.6
Sandisfield	61,447	53,531	43,974	8.1
Sandwich	1,096,645	1,107,604	1,361,097	6.8
Saugus	1,496,013	1,513,288	1,613,238	7.6
Savoy	27,335	34,980	39,892	7.9
Scituate	1,324,815	1,118,119	1,395,272	6.9
Seekonk	1,076,331	880,400	1,057,538	7.4
Sharon	1,258,359	1,206,037	1,588,954	6.1
Sheffield	189,647	197,793	253,122	8.0
Shelburne	88,415	83,853	120,219	8.2
Sherborn	407,970	384,186	450,969	6.7
Shirley	239,940	254,493	304,238	7.5
Shrewsbury	1,870,337	1,987,680	2,432,778	6.5
Shutesbury	72,444	61,442	97,847	7.7
Somerset	937,325	909,077	1,096,316	7.5
Somerville	2,146,323	552,080	3,054,717	8.0
South Hadley	806,657	785,763	862,767	7.4
Southampton	278,966	267,660	321,237	7.7
Southborough	727,205	907,131	1,244,702	6.1
Southbridge	688,147	612,576	864,715	7.6
Southwick	401,003	408,080	485,466	8.3
Spencer	500,671	559,523	678,039	7.3
Springfield	4,638,568	4,986,689	5,338,713	8.7
Sterling	459,370	423,858	574,290	6.9
Stockbridge	143,355	181,182	202,778	6.8
Stoneham	1,423,319	1,360,574	1,753,303	6.8
Stoughton	1,758,127	1,551,890	2,161,449	7.0
Stow	393,012	393,931	450,327	6.9
Sturbridge	493,340	540,808	587,112	6.7
Sudbury	1,312,330	1,541,293	1,695,049	6.4
Sunderland	156,914	156,796	198,085	7.8
Sutton	450,397	438,297	522,454	6.9
Swampscott	978,800	957,127	1,156,829	6.9
Swansea	800,193	794,952	794,952*	7.8
Taunton	2,127,530	2,031,655	2,690,255	7.7
Templeton	326,750	339,917	392,131	7.4
Tewksbury	1,663,491	1,869,509	2,167,715	6.9
Tisbury	183,861	185,927	258,331	9.3
Tolland	20,745	15,496	22,243	7.7
Topsfield	445,131	424,003	572,153	6.6
Townsend	413,238	422,083	523,393	7.3
Truro	157,094	114,016	160,216	8.6
512,314	664,383	7.4		
Tyngham	27,483	29,578	28,830	7.0
Upton	302,750	387,055	422,350	6.9
Uxbridge	566,270	522,493	663,964	7.6
Wakefield	1,535,691	1,586,161	2,004,324	6.9
Wales	74,432	87,409	86,297*	8.2
Walpole	1,448,919	1,467,959	1,586,898	6.8
Waltham	3,000,000	2,877,571	3,556,277	7.2
Ware	441,573	392,507	499,164	8.2
Wareham	990,707	1,040,320	1,108,202	7.8
Warren	170,714	175,671	223,927	8.1
Warwick	28,828	35,571	33,498	8.3
Washington	11,138	46,786	41,519	7.4
Watertown	1,766,102	1,806,569	2,273,402	7.0
Wayland	1,084,287	1,005,844	1,258,383	6.5
Webster	750,682	849,615	1,000,268	7.5
Wellesley	2,201,753	2,183,103	2,636,900	6.2
Wellfleet	161,369	189,379	203,596	8.5
Wendell	24,648	40,989	39,943	9.0
Wenham	254,867	237,412	322,195	7.3
West Boylston	433,168	349,787	577,595	6.9
West Bridgewater	572,457	521,642	711,402	7.5
West Brookfield	197,880	167,245	225,324	7.3
West Newbury	222,152	238,780	323,171	6.9
West Springfield	1,528,506	1,351,374	1,924,718	7.7
West Stockbridge	99,734	78,287	82,436	7.2
West Tisbury	123,824	100,439	134,421	9.8
Westborough	1,269,789	1,177,650	1,476,327	6.3
Westfield	1,583,745	1,889,583	2,106,179	7.8
Westford	1,102,246	1,219,575	1,544,733	6.6
Westhampton	75,778	78,607	89,132	7.6
Westminster	358,612	369,263	621,946	7.0
Weston	1,237,099	1,168,213	1,487,494	6.2
Westport	690,735	829,569	814,161	7.9
Westwood	1,256,814	1,218,067	1,494,431	6.3
Weymouth	3,096,490	2,839,915	3,463,265	7.2
Whately	87,394	85,263	102,285	8.1
Whitman	586,586	614,995	798,044	7.6
Wilbraham	881,273	880,942	1,008,129	6.9
Williamsburg	120,463	136,582	153,822	8.0
Williamstown	348,427	438,584	414,017	6.9
Wilmington	1,255,668	1,247,982	1,574,247	7.0
Winchendon	341,807	355,321	391,697	7.5
Winchester	1,599,723	1,599,822	1,994,248	6.5
Windsor	53,540	48,604	44,000*	6.6
Winthrop	771,012	782,646	791,695	7.5
Woburn	3,366,776	2,501,846	3,366,090	6.9
Worcester	8,448,602	7,489,510	9,420,105	7.2
Worthington	75,405	64,295	84,977	7.2
Wrentham	517,862	606,899	715,013	7.0
Yarmouth	1,431,892	1,118,877	1,655,968	7.7
State Total	**320,181,580**	**307,406,790**	**380,232,176**	

* Indicates that the FY95 data is an estimate.

Table 1

Trends in Motor Vehicle Excise Tax Collections
➡ *continued from page three*

Table 2

Estimated Local Receipts FY87–FY95

	Local Receipts	Motor Vehicle Receipts	MVE as pct of LR	Total Budget	MVE as % of Total Budget
FY87	1,234,186,851	238,339,940	19.31%	7,658,798,604	3.11%
FY88	1,357,345,020	250,395,346	18.45%	8,268,815,388	3.03%
FY89	1,551,799,001	269,279,722	17.35%	8,930,436,313	3.02%
FY90	1,832,061,154	314,889,214	17.19%	9,339,045,633	3.37%
FY91	1,917,673,486	281,538,922	14.68%	9,603,758,143	2.93%
FY92	2,045,127,785	276,465,179	13.52%	9,584,516,678	2.88%
FY93	2,035,899,378	279,535,500	13.73%	9,929,219,429	2.82%
FY94	2,074,559,533	296,325,197	14.28%	10,393,934,068	2.85%
FY95	2,193,878,042	302,730,297	13.80%	10,936,372,245	2.77%

percent to $307.4 million. In FY95, MVE collections are estimated at $380.2 million; this total includes actual collections for 336 communities and estimates for the remaining 15 communities whose Tax Recapitulation Sheet data had not been finalized at the time of this analysis. Since the FY95 official statewide MVE estimate totaled only $302.7 million, it is clear that the actual FY95 MVE collections are much higher than originally anticipated. A portion of the increase in FY95 collections is attributable to the RMV mailing commitments earlier than usual, in May rather than July of 1995. In addition, recent changes to the MVE marking program resulted in a number of prior years' delinquent accounts being cleared in FY94 and FY95. However, from a budgetary perspective communities should not assume that this trend will continue in future years.

Table 1 itemizes each city and town's MVE collections in FY93, FY94 and FY95 and the average age of vehicles in a community as of January 1995. An asterisk indicates when FY95 estimated collections, as opposed to FY95 actual collections, were used. Since it impacts the revenue collected from the MVE tax (e.g. the newer the car, the greater the MVE collection), the average age of vehicles is included in *Table 1*. As this table indicates, MVE collections across the state decreased $12.8 million or 4.0 percent between FY93 and FY94. This trend reversed between FY94 and FY95 with an estimated increase of $72.8 million or 23.7 percent. As was explained in the preceding paragraph, this change is due in part to the timing of the mailing of commitments and may increase even more as the remaining communities finalize their FY95 Tax Recapitulation Sheet data.

MVE as a Source of Local Revenues

From FY86 to FY95, MVE revenues, as a percent of locally generated, non-property tax revenues, ranged from a low of 13.52 percent in FY92 to a high of 19.31 percent in FY87. When MVE collections are examined as a percent of total local revenues, including property taxes and state aid, they accounted for between 2.77 and 3.37 percent during that same time period. In FY95, the MVE estimate as a percent of total revenues is 2.77 percent. *Table 2* shows a nine-year history of estimated MVE as a source of projected local budgets.

Table 3

RMV Non-Renewal Program

	cleared marks	current marks
FY93	177,793	142,571
FY94	286,706	159,583
FY95	295,588	56,004*

** As of Oct. 24, 1995*
Data is from the Registry of Motor Vehicles

Impact of the Non-Renewal Program

Municipalities' notification of delinquent MVE accounts to RMV has prevented the renewal of approximately 1.1 million licenses and/or registration for non-payment of MVE. However, since communities are not charged an assessment until after a marked vehicle has been cleared (e.g. paid in full), it can be difficult to accurately gauge the fiscal impact MVE marking has had on a particular year's MVE collections. Data obtained from the RMV indicates that the total number of vehicles marked for MVE that have been cleared has risen dramatically in recent years. In FY93, 177,793 marked vehicles were cleared. This number rose to a total of 295,588 marked vehicles that were cleared in FY95; this is an increase of approximately 66 percent. RMV data also showed that the number of vehicles marked for MVE non-payment from FY95 that have not been cleared is significantly less than the previous year. (This RMV data can be found in *Table 3*.) Overall, it appears that the non-renewal program's implementation has resulted in a decrease in the number of delinquent accounts and an increase in MVE collections. ■

We would like to thank Kerry Conard, RMV's Director of Customer Assistance, for her assistance in providing the RMV marking data.

DLS UPDATE

Quarterly Tax Billing

Beginning in FY91, communities could implement a quarterly property tax billing schedule by adopting M.G.L. Ch. 59, Sec. 57C. Quarterly tax bills (QTBs) require payment of property taxes four, rather than two, times a year. They allow taxpayers to make smaller payments and provide them with assurance regarding payment due dates. They also provide communities with a more evenly distributed level of income and a potential to increase investment income and reduce, if not eliminate, tax anticipation borrowing costs. By issuing two quarterly estimates on or before July 1 and October 1, the muncipality improves its cash flow while having additional time to resolve any budgetary issues and set the tax rate in advance of the December 31 third quarter billing date.

Since its introduction in FY91, many communities have opted to participate in this quarterly tax billing system to improve cash flow and financial management. In fact, the number of communities issuing these bills has grown from 36 in FY91 to 173 in FY96.

In a previous *City & Town* issue, we updated the progress of those communities that accepted the QTB provision in FY91 and FY92. We also reported preliminary information regarding communities that accepted quarterly tax billing in FY93 (See "Quarterly Tax Billing Update." *City & Town*, Vol.6, No. 1, December/January 1993:3).

In the following paragraphs, we provide complete data for the FY93 QTB communities. Additionally, we summarize the progress of those communities that first issued QTBs between FY94-FY96 as reported to DLS' Bureau of Accounts.

FY93 QTBs: Of the 36 new communities that issued quarterly tax bills in FY93, 30 had to borrow a combined total of $128,725,000 in FY92. Based on the length of time this debt was outstanding, these communities incurred approximately $1,880,000 in short-term interest costs.

By issuing QTBs in FY93, however, only 11 of the 36 communities needed to short-term borrow — a 63.3 percent reduction over the prior year. The amount borrowed and the associated interest costs also decreased to $43,700,000 and approximately $480,000, respectively. Quarterly tax billing effectively curbed most communities' need to borrow and produced a combined savings of $1.4 million in short term interest costs.

FY94 QTBs: Of the 17 new communities that issued QTBs in FY94, 12 had to borrow for a combined total of $45,350,000 in FY93. Associated interest costs were approximately $392,000.

In FY94, however, only four of the 17 communities had to borrow — a 66.7 percent reduction over FY93. These communities borrowed a total of $4,800,000 with approximately $24,000 in interest costs. In percentage terms, these amounts reflect decreases of 89.4 percent and 93.8 percent, respectively, while providing a total cost savings of approximately $368,000.

FY95 QTBs: Of the 11 new communities that issued QTBs in FY95, six had to borrow for a combined total of $76,210,000 in FY94. Associated interest costs were approximately $567,000.

In FY95, only two of the 11 FY95 QTB communities needed to short-term borrow — a 66.7 percent reduction over FY94. The amount borrowed in FY95 totaled $15,950,000 which represents a 79.1 percent reduction over the prior year's amount. Interest costs associated with short term borrowing also decreased 72.2 percent to approximately $158,000.

FY96 QTBs — Preliminary Data: Finally, in FY96, seven new communities issued quarterly tax bills. While all seven communities borrowed for a combined total of $10,250,000 ($15,000 in interest costs) in FY95, none of the communities have had to borrow in FY96. Wilbraham is one such community that borrowed $2,500,000 in FY95. Collector/Treasurer Thomas Sullivan reports that "while there is an increase in workload, both the amount

continued on page eight ➡

Data Bank Highlight

Motor Vehicle Data

Each year since 1987, the Registry of Motor Vehicles provides the Data Bank with a listing of the number of registered vehicles in each community as of the first of the year. In addition, the list identifies the type (car, light truck, etc.) and average age of the vehicles. How much do they generate in local revenue? The Data Bank has reports that show trends in motor vehicle excise receipts back to FY81. Especially useful is the "Actual vs. Estimated Receipts" report which shows trends in collections, compared to budget estimates, for motor vehicle excise as well as other local receipt categories reported on the Tax Recap sheet. ■

The Municipal Data Bank is a clearinghouse for a wide variety of municipal financial and socio-economic data. To obtain printed reports and data files call John Sanguinet at (617) 626-2355, for on-screen viewing of individual towns' data or downloading spreadsheets via computer modem from the On-line Access System, call Burt Lewis at (617) 626-2358. Additionally, data files are available through the World Wide Web (see the Web address on page 8).

Municipal Fiscal Calendar

February 1
Taxpayer: *Deadline for Payment or 3rd Quarterly Tax Bill Without Interest (If mailed before January 1)*

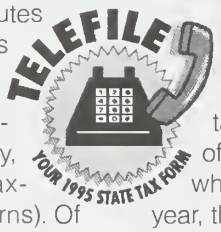
February 15
Treasurer: *2nd Quarter Reconciliation of Cash (Due 45 Days After End of Quarter)*

February 28
Finance Committee: *Continue Budget Review and Develop Recommendations*
This date will vary depending on dates of town meeting.

New State Income Tax Forms

Revenue Commissioner Mitchell Adams announced that for the first time in 12 years, there will be no Form ABC for Massachusetts residents who file a simple income tax return. DOR will send those residents a Telefile form, encouraging them to use the touch-tone tax filing system that takes an average of eight minutes to complete and sends refunds in three to four days.

There are three million tax returns filed with DOR annually, representing four million taxpayers (due to jointly filed returns). Of the three million returns, roughly half qualify this year to use the Telefile system. The other half will use Form 1, the Massachusetts Resident Income Tax Return, that has been redesigned to accommodate new imaging processing. Specialized computers are capable of "imaging" an entire income tax return in one second, reading numbers entered by the taxpayer and reading handwriting. This innovation has a virtually eliminated the demand for data entry and keying. Also, imaging provides DOR with a computerized file folder that will be easily accessible for future reference.



DOR will mail the new forms to taxpayers during the first week of January. For those taxpayers who used a tax preparer last year, they will receive a post card as a reminder. Tax forms will also be available in post offices, city and town halls, libraries, IRS offices, and DOR offices including Boston, Springfield, Worcester, Pittsfield, Hyannis and Fall River. The deadline for filling 1995 tax returns is April 16, 1996. ■

9M–1/96–D696BOM

DLS Update
➡ *continued from page seven*

saved in interest expense and the investment income earned make it well worth the effort."

As evidenced by this data, QTB communities experience both a reduction in the need to borrow and a savings in the amount of tax anticipation borrowing costs. As a consequence, funds previously used to finance the cost of short-term borrowing are now available for other municipal spending purposes.

For more information on quarterly tax billing and your community, please contact your Bureau of Accounts representative in Boston (617) 626-2300, Worcester (508) 792-7300 or Springfield (413) 784-1000. ■

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Cooperative Assessing

The sharing of assessing services was authorized in 1979 by M.G.L. Ch. 41, Sec.30B. The catalysts for this authorization were two-fold: the new budgetary constraints imposed by Proposition 2½ and the recognition that assessment administration was becoming more complex. Today, the vast majority of municipal assessors use computer assisted mass appraisal. Although computers have made some of the work easier, appraisal techniques have evolved which require sophisticated analytical skills. In June of 1994, the towns of Ashby, Lunenburg and Townsend signed a memorandum of understanding creating the Commonwealth's first "Agreement for Cooperative Assessing." This agreement enabled the towns to pool their financial resources and hire a principal assessor with qualifications and abilities that one small town alone might not otherwise have afforded.

To help communities interested in a cooperative assessing program, DOR's Division of Local Services (DLS) developed guidelines. One of the goals of these guidelines was the maintenance of local autonomy over policy and decision making by each community's board of assessors. In order to implement the program, a formal agreement must be drawn-up, voted on by the legislative bodies in each of the municipalities and approved by the Commissioner of Revenue. Important personnel aspects that must be defined in the agreement include qualifications, duties, responsibilities, supervision and evaluation of the principal assessor. In addition, the agreement should specify the sponsoring or host community, allocate salary and expenses and specify the duration and method of amending the program.

In the agreement between Ashby, Lunenburg and Townsend, Lunenburg is the host community and as such, handles the payroll and benefits administration for the shared principal assessor. The agreement specifies that the operating budget be prorated based on the number of real estate parcels in each community, taking into consideration the percentage of commercial, industrial and personnel property accounts. At the time the agreement was approved, Lunenburg and Townsend each assumed responsibility for 40 percent with Ashby absorbing the remaining 20 percent of the operating budget. A board of directors was created composed of the chairs of each board of assessors. The directors each have one vote, meet at least annually and formulate the by-laws and the decision making processes of the organization. The methods to amend or withdraw from the program are also spelled out in the agreement.

Paul Dickey of Lunenburg, Niles Busler of Townsend and Richard McCarthy of Ashby make up the Board of Directors. All three directors are enthusiastic about their cooperative assessing program. Chairman Paul Dickey said that "with the combined resources of the three towns, we were able to hire a highly qualified, competent professional who reduced the need to contract for services and thereby saved money." In addition, demands on the part-time boards of Assessors and their staff are not as onerous as they once were. Chairman Dickey believes the hiring a professional principal appraiser to handle the technical demands of the assessing offices has decreased the turnover previously experienced. Assessors and staff are now able to concentrate on policy issues and assessment administration. Dickey believes that their program can serve as a model for other communities considering sharing an assessor/appraiser.

There are obvious financial benefits to communities that divide the costs of a highly skilled individual. Beyond simply cost savings, sharing an assistant assessor can be particularly advantageous in communities that have similar property characteristics. It is also beneficial in smaller communities that do not have many real estate sales or many commercial properties. For example, combining communities' data, such as sales and income information, produces a larger sample which, for analytical purposes, can produce more accurate and uniform assessments. ■

DLS appreciates the assistance of the Board of Directors in the preparation of this article. For more information, Paul Dickey can be reached at the Lunenburg Assessor's office at (508) 582-4145.

Note: *See Informational Guideline Release 81-402, Cooperative Assessing Agreement, for details.*

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LEGAL

in Our Opinion

Q: *A regional school district committee voted to authorize borrowing to expand the regional high school. Timely notice was furnished to the boards of selectmen of the member communities within seven days of the vote. A member community at town meeting voted to approve the amount of the borrowing if reimbursed by the state for at least 65 percent of the project cost contingent upon the subsequent passage of a Proposition 2½ debt exclusion. What is the effect of the town meeting vote?*

A: M.G.L. Ch.71 Sec.16 (d) provides that a member community of the regional school district within 60 days of the date of the debt authorization by the school district committee "may hold a town meeting for the purpose of expressing disapproval of the amount of debt authorized by the district committee. ..." The only town meeting action that has any legal effect is a vote disapproving the debt issue. In this instance, the town meeting action that was taken does not constitute disapproval of the bond issue even if the voters at the referendum subsequently do not approve the debt exclusion. Accordingly, the selectmen should schedule the debt exclusion referendum prior to the town meeting vote on the bond issue if the outcome of the referendum is considered crucial to any determination.

Q: *How much notice must a city or town provide for a tax classification hearing?*

A: The Commissioner must first certify to the board of assessors in writing that the proposed assessments of property in the community are at full and fair cash value. The Commissioner also must certify the minimum residential factor as well as the determination that a majority of the assessors are qualified to classify property. Upon receipt of these certifications, the selectmen, town council or city council will hold a public hearing on allocating the tax levy among the various classes of real and personal property. The Department's Guidelines (IGR 95-401) provide that the community's notice for the public hearing must comply with the Open Meeting Law "as supplemented by local by-law or ordinance." Although notice of a meeting must only be publicly posted in city or town hall for a minimum forty-eight hours under the Open Meeting Law (M.G.L. Ch.39 Sec.23B), some communities may require a longer posting period or additional types of notification. These local requirements must be followed. In addition, the guidelines provide for notice of the hearing by publication of a public information release in a newspaper of general circulation in the community. The timing of the notice may vary depending on whether the community is served by a weekly or daily paper, but it must afford taxpayers a reasonable opportunity to attend the hearing.

Q: *What expenditures are permissible from the park and recreational revolving fund if it has been adopted by town meeting?*

A: M.G.L. Ch.44 Sec.53D provides that the receipts of a park and recreational program must be turned over to the treasurer and deposited in the revolving fund. The principal together with any accrued interest may be expended without further appropriation "only for the purpose of operating self-supporting recreation and park services." Any expenditure, in our view, of these funds would be permissible if in direct support of and necessary to the operation of the park and recreational programs. The statute does expressly prohibit the payment of wages or salaries for full-time employees. Permissible, however, would be the purchase of playground equipment and expenditures for the repair and maintenance of fields and facilities essential to the operation of the program. ■

Snow and Ice Deficits

In a year when many local snowfall records have already been broken, most cities and towns have already exceeded their FY96 snow and ice removal budgets. For those communities with a snow and ice deficit, there are two budgetary options. First, a city or town has the option to cover the deficit during the current fiscal year through a reserve fund transfer, a transfer from another appropriation or an appropriation from general reserves. Second, if a community chooses not to transfer or appropriate the supplemental funds, it may be authorized to raise the amount of the deficit in the subsequent year's budget.

As most town accountants are well aware, under most conditions a city or town is not allowed to spend more than the amount appropriated in the current year's budget. However, the snow and ice account is an exception to that particular rule. Overspending for snow removal is allowed if certain conditions, outlined in M.G.L. Ch.44 Sec.31, are met. In order to legally overspend the appropriated amount for snow and ice removal, a city or town must have an appropriation that is equal to or greater than the previous year's snow and ice appropriation as adopted in the original budget. In other words, if a community's FY96 appropriation is equal to or greater than its original town meeting or city council FY95 appropriation, any spending over that amount will be deemed legal. It is also important to note that either the board of selectmen and finance committee or the city council and the mayor must give the city or town permission to overspend in that account.

Local officials who want more information or clarification on how to account for a snow and ice deficit should contact their local Bureau of Accounts field representative. ■

FOCUS on Municipal Finance

What is Free Cash?

Free cash is a community's budgetary fund balance that is designated as unrestricted and available for appropriation. A community accumulates free cash when actual revenues collected are in excess of budget estimates and when expenditures and encumbrances are less than appropriations, or both. This article will examine historical trends and recent improvements in free cash balances over the past several years.

Free cash is often a major source of revenue for supplemental appropriation after the tax rate has been set. Once certified, free cash may be used at special town/city council meetings throughout the year. If communities do not deplete their free cash at these meetings, any remaining balance may be appropriated at the annual town or city council meeting for the upcoming fiscal year. Certification of free cash expires on June 30 regardless of any remaining balance. A community will not have free cash available for appropriation until it is recertified.

Free cash is certified by the Bureau of Accounts (BOA) as of July 1 each year upon the submission of a community's June 30 balance sheet. Beginning with a community's undesignated fund balance/surplus revenue, BOA then deducts uncollected real and personal property taxes, overdrawn accounts and any other receivables not specifically reserved. After making adjustments for Cherry Sheet over/under assessments and deferred revenue, BOA certifies the amount of free cash available for appropriation. Once the initial certification is granted, a community can request that BOA approve updates to the free cash balance to reflect prior year property tax collections and other receipts approved by the Director of Accounts. Each community may request a free cash update once a year. However, if the update leads to a year-end free cash deficit, BOA will not grant an update in the following year.

BOA certifies free cash as either a positive or negative amount. Positive free cash is available to be used by the appropriating body. Negative free cash (a free cash deficit) demonstrates that a community's actual revenue collections were less than budget estimates and actual expenditures and encumbrances were more than appropriations, or both. A community is not required to raise this amount in the following year. However, a negative free cash balance may indicate that collection or forecasting problems exist that require management improvements. In addition, bond rating agencies may recognize the vulnerability of a community with a negative free cash balance when evaluating its financial condition.

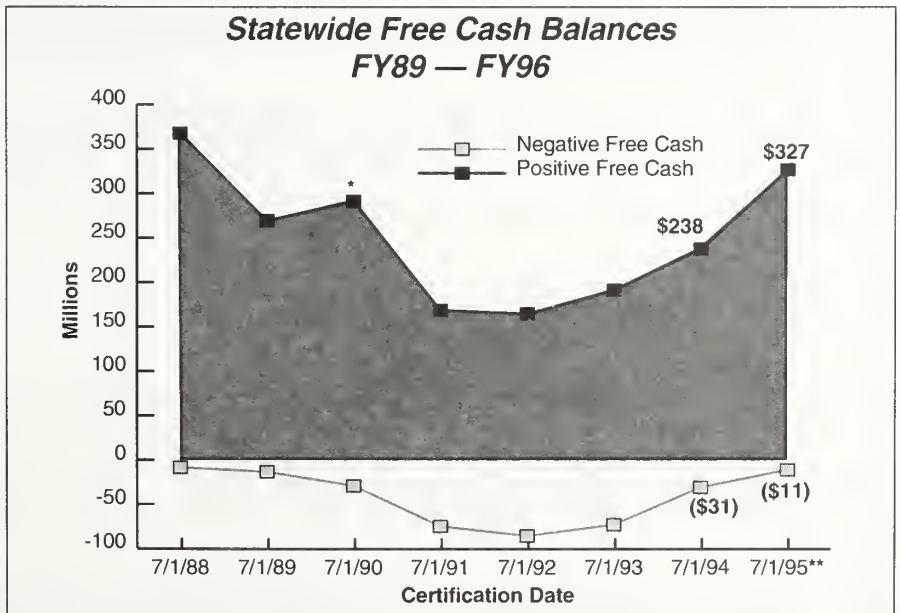
A Historical Look at Free Cash Balances

Between the late 1980's and early 1990's, the number of communities with positive free cash balances decreased steadily as the number of communities with negative free cash balances increased. For example, as of 7/1/88, 336 communities had positive balances while only 13 had free cash deficits. In comparison, as of 7/1/92, only 252 communities had positive balances while 87 had free cash deficits.

A primary factor contributing to the trend was the economic slowdown during this period. This slowdown affected certain local receipts and property tax collection rates. Between FY89 and FY92, state aid also decreased $639 million from $2.966 to $2.328 billion. As a result, communities relied more heavily upon free cash and other local revenues to balance their budgets. Even as communities drew down free cash balances, local receipts were also being estimated less conservatively in order to maintain prior year spending levels. Prior to the state aid decreases, FY89 actual statewide local

continued on page six ➡

Figure 1



**The increase in free cash shown for 1990 may reflect a portion of the $210 million in FY90 local aid that was initially withheld but distributed the following year.*

***The 7/1/95 free cash totals do not include the 53 communities that do not have 7/1/95 free cash certifications as of January 30, 1996.*

Free Cash Balances, 7/1/94 – 7/1/95

Municipality	7/1/94 free cash certification	7/1/95 free cash certification	7/1/94 as a % of FY95 budget	7/1/95 as a % of FY96 budget	Dollar Change
Abington	$727,364	$501,984	3.16%	2.17%	($225,380)
Acton	$1,499,788	$3,599,208	4.41%	9.89%	$2,099,420
Acushnet	$417,258		3.78%		
Adams	$575,759		6.93%		
Agawam	$629,859		1.71%		
Alford	$77,850	$93,719	11.04%		$15,869
Amesbury		$772,677		2.81%	$772,677
Amherst	$1,259,383	$2,137,726	3.35%	5.26%	$878,343
Andover	$2,208,322	$3,493,524	3.40%	5.07%	$1,285,202
Arlington	($222,066)	$808,425	-0.31%	1.12%	$1,030,491
Ashburnham	$101,063	$27,366	1.60%		($73,697)
Ashby	($100,029)	$261	-3.83%	0.01%	$100,290
Ashfield	$157,722	$185,698	8.61%	9.09%	$27,976
Ashland	$491,513		2.33%		
Athol	$736,102	$590,678	9.41%	6.87%	($145,424)
Attleboro	$1,333,899	$2,246,261	2.37%	3.53%	$912,362
Auburn	$62,661	$1,200,688	0.30%	5.48%	$1,138,027
Avon	$273,070	$261,687	3.26%	2.96%	($11,383)
Ayer	$565,843	$1,021,000	3.48%		$455,157
Barnstable	$4,522,014	$2,012,881	6.04%	2.42%	($2,509,133)
Barre	$368,839	$482,433	7.80%	9.59%	$113,594
Becket	$202,152	$71,774	7.95%	2.46%	($130,378)
Bedford	$1,088,796	$1,993,802	3.39%	5.89%	$905,006
Belchertown	$633,258	$1,069,218	4.14%	5.34%	$435,960
Bellingham	$1,668,681	$1,877,356	6.66%	7.02%	$208,675
Belmont	$860,018	$569,957	1.74%	1.13%	($290,061)
Berkley	($322,029)	($192,324)	-5.29%	-2.86%	$129,705
Berlin	$184,248	$274,491	5.48%	7.08%	$90,243
Bernardston	$306,847	$377,890	15.27%	18.39%	$71,043
Beverly					
Billerica	$1,161,299	$2,776,416	1.83%	3.98%	$1,615,117
Blackstone	$491,723	$496,477	6.74%	6.45%	$4,754
Blandford	$146,809	$114,496	11.19%		($32,313)
Bolton	$439,551	$643,701	7.55%		$204,150
Boston					
Bourne	$497,152	$1,288,206	1.93%	4.81%	$791,054
Boxborough	$201,211	$574,290	2.78%	7.04%	$373,079
Boxford	$1,035,762	$1,189,961	9.16%	9.33%	$154,199
Boylston	$279,174	$333,848	5.68%	6.55%	$54,674
Braintree	$699,110	$2,283,642	1.07%	3.64%	$1,584,532
Brewster	$1,162,541	$1,769,062	5.35%	8.97%	$606,521
Bridgewater	($79,832)	$603,737	-0.38%	2.76%	$683,569
Brimfield	$493,417	$450,344	10.73%	8.87%	($43,073)
Brockton	$3,273,404	$4.655,160	2.02%		$1,381,756
Brookfield	$112,300		2.69%		
Brookline	$1,500,333	$3,078,581	1.26%	2.47%	$1,578,248
Buckland	$114,763	$95,864	5.46%	4.15%	($18,899)
Burlington	$1,611,768	$2,662,508	2.92%	4.96%	$1,050,740
Cambridge	$15,269,468	$19,457,004	4.46%	5.17%	$4,187,536
Canton	$779,466	$1,034,744	2.14%		$255,278
Carlisle	$910,678	$1,014,132	8.96%	9.45%	$103,454
Carver	$308,735		1.72%		
Charlemont	$90,984	$175,891	6.59%		$84,907
Charlton	$23,722	$537,896	0.30%		$514,174
Chatham	$705,721	$650,285	3.39%	3.09%	($55,436)
Chelmsford	$1,595,518	$2,168,496	2.98%	3.81%	$572,978
Chelsea		$190,894		0.26%	$190,894
Cheshire	$137,615	$233,580	5.92%	9.36%	$95,965
Chester	($16,144)	$29,495	-1.30%	2.22%	$45,639
Chesterfield	$133,147	$161,633	10.32%	11.43%	$28,486
Chicopee	$2,249,295	$2,491,593	2.87%		$242,298
Chilmark	$317,367	$277,712	11.03%	9.20%	($39,655)
Clarksburg					
Clinton	$359,484	$796,352	2.05%		$436,868
Cohasset	$750,333	$964,966	4.60%	5.56%	$214,633
Colrain	($11,038)	$133,766	-0.61%	7.20%	$144,804
Concord	$3,474,355	$4,131,232	10.47%	11.59%	$656,877
Conway	$39,377		1.56%		
Cummington	$67,466	$7,707	5.84%	0.62%	($59,759)
Dalton	$667,620	$646,901	8.70%	8.44%	($20,719)
Danvers	$30,793	$1,007,635	0.06%	1.99%	$976,842
Dartmouth	$1,544,706	$1,458,323	3.66%	3.71%	($86,383)
Dedham	$858,656	$961,919	2.12%	2.28%	$103,263
Deerfield	$1,474,535		22.14%		
Dennis	$1,229,883	$2,021,254	5.19%		$791,371
Dighton	$38,961	$176,797	0.64%	2.62%	$137,836
Douglas	($18,421)	$488,579	-0.22%	5.01%	$507,000
Dover	$1,047,947	$2,201,658	9.18%	18.29%	$1,153,711
Dracut	$90,692	$1,752,319	0.29%	5.18%	$1,661,627
Dudley	($189,851)	($105,812)	-2.76%		$84,039
Dunstable	$284,925	$303,531	9.65%	8.92%	$18,606
Duxbury	$1,676,157	$3,134,820	5.74%	10.09%	$1,458,663
East Bridgewater	($283,883)	$131,003	-1.44%	0.62%	$414,886
East Brookfield	$397,560	$478,101	23.48%	23.74%	$80,541
East Longmeadow	$1,842,688	$1,888,972	8.23%	7.88%	$46,284
Eastham	$786,743	$1,084,195	7.26%	9.38%	$297,452
Easthampton	($384,408)	$10,556	-1.80%	0.05%	$394,964
Easton	$847,463	$1,449,058	2.88%	4.72%	$601,595
Edgartown	$672,058	$551,995	5.66%		($120,063)
Egremont	$248,120	$344,936	10.92%	15.54%	$96,816
Erving	$286,675	$214,329	7.51%	5.52%	($72,346)
Essex	$171,670	$152,860	3.54%	3.07%	($18,810)
Everett	$2,166,151	$3,590,134	3.24%	4.92%	$1,423,983
Fairhaven	$1,697,436	$1,704,620	7.03%	5.84%	$7,184
Fall River					
Falmouth	$2,893,000	$3,137,658	5.32%	5.53%	$244,658
Fitchburg	$1,031,207	$1,413,643	1.77%	2.23%	$382,436
Florida	$312,334	$348,384	19.41%	23.30%	$36,050
Foxborough	$1,223,641	$1,428,285	4.52%	5.14%	$204,644
Framingham	$288,019	$4,104,167	0.25%	3.31%	$3,816,148
Franklin	$1,443,140	$2,923,583	3.84%	6.83%	$1,480,443
Freetown	$329,201	$372,081	3.49%	3.51%	$42,880
Gardner	$93,676	$909,233	0.34%	3.14%	$815,557
Gay Head	($75,183)	($46,721)	-5.45%		$28,462
Georgetown	$109,186	$392,421	1.10%	3.37%	$283,235
Gill	$210,595	$195,956	15.35%	14.14%	($14,639)
Gloucester	$1,556,365	$1,344,295	3.13%	2.50%	($212,070)
Goshen	($9,769)	$32,795	-0.78%		$42,564
Gosnold	$177,828		23.36%		
Grafton	$1,186,563	$1,604,724	6.92%	8.93%	$418,161
Granby	$347,654	$842,353	4.80%	10.47%	$494,699
Granville	$125,808	$122,742	5.28%	5.03%	($3,066)
Great Barrington	$1,269,501	$1,614,148	11.19%	12.99%	$344,647
Greenfield	($205,049)	$113,426	-0.76%	0.37%	$318,475
Groton	$211,593	$411,558	1.80%	3.26%	$199,965
Groveland	$220,790	$340,289	3.41%	5.08%	$119,499
Hadley	$134,185	$224,905	2.22%	3.20%	$90,720
Halifax	$505,574	$641,694	5.57%	6.43%	$136,120
Hamilton	$432,107	$426,544	3.87%	3.58%	($5,563)
Hampden	($109,050)	$66,719	-1.99%	1.21%	$175,769
Hancock	$343,419		38.81%		
Hanover	$1,636,891	$2,052,228	7.21%	8.53%	$415,337
Hanson	$357,124	$199,585	3.14%	1.69%	($157,539)
Hardwick	$352,978	$486,593	13.77%	18.21%	$133,615
Harvard	($289,030)	$85,565	-2.69%	0.81%	$374,595
Harwich	$3,129,782	$2,911,183	12.34%	11.22%	($218,599)
Hatfield	$326,703	$219,463	7.02%	4.19%	($107,240)
Haverhill	($2,796,795)	($800,276)	-2.29%	-0.61%	$1,996,519
Hawley	$34,769	$94,475	7.23%	19.96%	$59,706
Heath	$6,673	$99,836	0.56%		$93,163
Hingham	$2,882,307	$4,165,103	7.78%	10.34%	$1,282,796
Hinsdale	$3,254	$53,400	0.14%	2.34%	$50,146
Holbrook	($377,593)		-2.17%		
Holden	$56,368	$161,237	0.29%	0.79%	$104,869
Holland	$4,266	$101,375	0.14%	3.20%	$97,109
Holliston	$491,979	$983,586	2.28%	4.02%	$491,607
Holyoke	$747,425	$3,264,963	0.89%		$2,517,538
Hopedale	$15,919	$128,093	0.19%	1.41%	$112,174
Hopkinton	$491,179	$749,041	2.41%	3.35%	$257,862
Hubbardston	$177,223	$201,866	5.49%	6.00%	$24,643
Hudson	$1,538,755	$2,459,667	5.10%	7.86%	$920,912
Hull	$111,714	$533,360	0.57%	2.52%	$421,646
Huntington	$92,621		4.49%		
Ipswich	$417,155		2.11%		
Kingston	$1,104,310	$1,549,879	7.59%	10.10%	$445,569
Lakeville	$39,504		0.37%		
Lancaster	($552,696)	($49,014)	-9.32%		$503,682
Lanesborough	$250,316	$149,388	5.29%	3.03%	($100,928)
Lawrence	($4,025,187)	($2,465,747)	-3.31%	-1.88%	$1,559,440
Lee	$311,129	$71,404	3.19%	0.72%	($239,725)
Leicester	$701,209	$636,195	5.23%	4.17%	($65,014)
Lenox	$2,701,465	$2,902,729	23.18%	22.59%	$201,264
Leominster	$2,332,044	$4,221,930	4.24%	7.39%	$1,889,886
Leverett	$118,461	$150,757	4.98%	6.16%	$32,296
Lexington	$1,670,576		2.26%		
Leyden	($38,252)	($8,845)	-4 62%	-1.04%	$29,407
Lincoln	$2,013,168	$2,152,599	13.47%	12.64%	$139,431
Littleton	$375,351		2.70%		
Longmeadow	$957,886	$1,364,287	3.28%	4.43%	$406,401
Lowell	($2,991,210)	$72,896	-1.73%	0.04%	$3,064,106
Ludlow	$1,211,285	$1,756,607	4.24%	6.16%	$545,322
Lunenburg	($249,039)	$510,473	-2.12%	4.03%	$759,512
Lynn	$1,185,188	$3,605,578	0.88%		$2,420,390
Lynnfield	$1,528,045	$1,484,886	8.16%	7.69%	($43,159)
Malden	($2,227,581)	($1,252,280)	-2.82%	-1.53%	$975,301
Manchester	$735,649	$866,175	6.45%	7.06%	$130,526
Mansfield	$603,649	$1,908,280	1.72%	5.00%	$1,304,631
Marblehead	$888,908	$2,119,830	2.51%	5.66%	$1,230,922
Marion	$395,880	$316,898	4.43%	3.46%	($78,982)
Marlborough	$1,323,827	$714,817	2.26%	1.16%	($609,010)
Marshfield	$538,989	$1,545,494	1.39%	3.71%	$1,006,505
Mashpee	$611,127	$794,685	2.88%	3.62%	$183,558
Mattapoisett	$282,453	$515,443	2.84%	4.84%	$232,990
Maynard	($486,544)	($126,824)	-2.81%	-0.72%	$359,720
Medfield	$955,748	$1,102,466	4.89%	5.00%	$146,718
Medford	$471,527	$1,716,940	0.56%	1.96%	$1,245,413
Medway	($1,068,453)	($538,872)	-6.11%	-2.94%	$529,581
Melrose	$1,563,754	$644,444	3.51%	1.44%	($919,310)
Mendon	$204,154	$412,826	4.58%	8.16%	$208,672
Merrimac	$490,973		7.29%		

Municipality	7/1/94 free cash certification	7/1/95 free cash certification	7/1/94 as a % of FY95 budget	7/1/95 as a % of FY96 budget	Dollar Change
Methuen	$72,412	$6,460	0.12%	0.01%	($65,952)
Middleborough	$657,753	$758,559	2.08%	2.26%	$100,806
Middlefield	$35,700	$140,173	6.45%	23.32%	$104,473
Middleton	$984,514	$1,336,275	11.39%	13.91%	$351,761
Milford	($498,991)	$255,677	-1.23%	0.59%	$754,668
Millbury	$1,297,379	$2,377,081	8.27%	14.89%	$1,079,702
Millis	$235,080	$319,382	1.82%	2.34%	$84,302
Millville	$156,025	$352,048	6.19%	12.51%	$196,021
Milton	$423,407	$754,889	1.01%	1.68%	$331,482
Monroe	$127,238	$129,093	30.20%	31.68%	$1,855
Monson	$145,446	$550,051	1.19%	4.24%	$404,605
Montague	$478,056	$318,331	5.24%	3.34%	($159,725)
Monterey	$46,249	$192,321	2.85%	10.68%	$146,072
Montgomery	$255,027	$207,301	27.40%	19.31%	($47,726)
Mount Washington	$85,155	$85,120	28.20%	19.84%	($35)
Nahant	($249,361)	$16,572	-3.82%	0.25%	$265,933
Nantucket	$1,942,771		4.99%		
Natick	$1,442,721	$1,675,191	2.59%	2.84%	$232,470
Needham	$1,455,446		2.51%		
New Ashford	$107,028		39.77%		
New Bedford			0.00%		
New Braintree	$84,005		10.09%		
New Marlborough	$121,472	$171,720	5.62%	7.79%	$50,248
New Salem	$61,568	$87,251	5.18%	7.24%	$25,683
Newbury	($65,363)		-0.77%		
Newburyport	($881,726)	($980,576)	-3.12%	-3.34%	($98,850)
Newton	$3,673,485	$6,253,729	2.05%	3.35%	$2,580,244
Norfolk	$319,666	$179,620	2.13%	1.21%	($140,046)
North Adams	$951,515	$975,126	3.93%	3.80%	$23,611
North Andover	($866,064)	($672,080)	-2.40%	0.00%	$193,984
North Attleborough	$505,378	$1,903,255	1.38%	4.76%	$1,397,877
North Brookfield	$208,702	$362,802	3.07%	4.84%	$156,100
North Reading	$946,866	$1,118,001	3.43%	4.21%	$171,135
Northampton	$1,818,510	$1,771,451	4.02%	3.72%	($47,059)
Northborough	$1,161,924	$2,140,167	5.99%	10.37%	$978,243
Northbridge	$389,415	$375,172	2.40%	2.07%	($14,243)
Northfield	$150,588	$184,635	4.52%	5.45%	$34,047
Norton	$497,838	$1,773,760	2.22%	7.03%	$1,275,922
Norwell	$255,539	$1,049,094	1.42%	5.42%	$793,555
Norwood	$1,881,119	$1,071,747	2.35%	1.36%	($809,372)
Oak Bluffs	$676,897		6.28%		
Oakham	$201,151	$234,177	15.77%	14.67%	$33,026
Orange	$119,125	$386,440	1.12%		$267,315
Orleans	$1,454,190	$1,835,801	9.51%	11.48%	$381,611
Otis	$159,674	$265,986	6.31%	11.86%	$106,312
Oxford	$499,310	$762,505	3.15%	4.39%	$263,195
Palmer	($397,824)	($346,126)	-2.01%	-1.69%	$51,698
Paxton	$218,631		4.69%		
Peabody	$7,052,740	$6,537,166	8.49%	7.87%	($515,574)
Pelham	$187,760	$180,938	10.13%	9.20%	($6,822)
Pembroke	$973,213	$1,365,635	4.46%	5.69%	$392,422
Pepperell	$886,949	$1,199,795	8.21%	9.93%	$312,846
Peru	$55,940	$62,126	6.30%	4.47%	$6,186
Petersham	$166,406		11.90%		
Phillipston			0.00%		
Pittsfield	$1,270,039	$2,053,544	1.76%	2.74%	$783,505
Plainfield	$51,308	$56,992	6.26%	5.61%	$5,684
Plainville	$392,408	$296,087	3.93%	3.14%	($96,321)
Plymouth	$4,383,505	$6,657,859	4.92%	6.60%	$2,274,354
Plympton	$155,407	$348,825	4.24%	8.87%	$193,418
Princeton	$203,144	$394,704	4.06%	7.78%	$191,560
Provincetown	$1,018,279	$996,409	7.08%	6.54%	($21,870)
Quincy	$3,012,792	$5,682,179	2.03%	3.73%	$2,669,387
Randolph	($471,438)	$207,043	-1.12%	0.47%	$678,481
Raynham	($301,817)		-2.60%		
Reading	$922,614	$1,755,495	2.22%	4.09%	$832,881
Rehoboth	$357,260	$256,141	3.97%	2.63%	($101,119)
Revere	($2,582,152)	($126,163)	-3.83%	-0.18%	$2,455,989
Richmond	$76,949	$228,677	2.63%	8.48%	$151,728
Rochester	$528,726		7.23%		
Rockland	$797,074	$891,667	3.07%	3.10%	$94,593
Rockport	$439,243	$1,326,034	2.85%	8.10%	$886,791
Rowe	$391,980	$1,130,017	21.37%	47.07%	$738,037
Rowley	$134,690		2.10%		
Royalston			0.00%		
Russell	$270,831	$193,424	10.79%	7.94%	($77,407)
Rutland	$217,051	$147,186	3.75%	2.60%	($69,865)
Salem	$148,485	$1,429,092	0.21%	1.98%	$1,280,607
Salisbury	($637,945)	($688,403)	-6.29%	-6.73%	($50,458)
Sandisfield	$149,699	$294,187	12.03%	20.77%	$144,488
Sandwich	$466,661	$1,135,681	1.63%	3.83%	$669,020
Saugus	$1,547,084	$1,205,913	3.76%	2.68%	($341,171)
Savoy	$33,306	$30,996	3.12%	3.14%	($2,310)
Scituate	$266,018	$1,210,613	0.91%	3.94%	$944,595
Seekonk	$683,252	$1,071,538	3.26%	5.01%	$388,286
Sharon	$1,680,369	$2,964,233	5.86%	9.82%	$1,283,864
Sheffield	$492,614	$522,807	9.67%	10.87%	$30,193
Shelburne	$105,710	$124,405	4.98%	5.17%	$18,695
Sherborn	$857,091	$751,494	8.58%	7.09%	($105,597)
Shirley	$48,163	$75,400	0.73%	1.10%	$27,237
Shrewsbury	$2,672,855	$3,909,803	6.94%	8.66%	$1,236,948
Shutesbury	$18,932	$204,769	0.74%	7.04%	$185,837
Somerset	$1,971,055	$2,637,174	6.32%	8.33%	$666,119
Somerville	$3,844,791	$4,822,698	3.47%	4.16%	$977,907
South Hadley	$351,293	$617,194	1.67%	2.70%	$265,901
Southampton	$184,943	$359,640	3.06%		$174,697
Southborough	$1,061,311	$1,316,207	7.53%	8.98%	$254,896
Southbridge	$1,043,083	$1,625,743	3.86%	5.82%	$582,660
Southwick	$532,218	$691,323	6.13%	7.63%	$159,105
Spencer	$469,142	$150,746	5.44%	1.63%	($318,396)
Springfield					
Sterling	($302,211)	$222,984	-3.66%	2.74%	$525,195
Stockbridge	$841,601		19.54%		
Stoneham	($7,941)	$992,964	-0.02%	2.59%	$1,000,905
Stoughton	$898,559	$1,246,254	2.06%	2.68%	$347,695
Stow	$546,468	$919,090	6.26%	10.12%	$372,622
Sturbridge	$1,034,307	$942,411	8.41%	7.17%	($91,896)
Sudbury	$489,849	$993,696	1.50%		$503,847
Sunderland	$138,237	$176,421	3.63%	4.37%	$38,184
Sutton	($188,479)		-1.67%		
Swampscott	$209,709		0.77%		
Swansea	($512,281)	($503,266)	-2.72%		$9,015
Taunton	$1,419,776		1.67%		
Templeton	$222,585	$428,280	4.81%	8.69%	$205,695
Tewksbury	$1,707,899	$1,631,963	3.77%	3.38%	($75,936)
Tisbury	$1,256,523	$1,918,530	11.71%	16.72%	$662,007
Tolland	$129,626	$119,526	26.54%	22.62%	($10,100)
Topsfield	$372,651	$661,146	3.87%	6.69%	$288,495
Townsend	$402,085	$521,323	4.57%	5.52%	$119,238
Truro	$311,745		5.53%		
Tyngsborough	$1,306,281	$557,878	8.71%	3.32%	($748,403)
Tyringham	$79,726	$65,338	9.98%	7.64%	($14,388)
Upton	$359,035	$486,688	6.78%	8.05%	$127,653
Uxbridge	($355,189)		-2.48%		
Wakefield	$1,477,001		3.29%		
Wales	$38,026		1.68%		
Walpole	$581,616	$610,257	1.66%	1.59%	$28,641
Waltham	$3,335,531	$5,003,654	3.20%	4.62%	$1,668,123
Ware	$428,544	$710,141	3.46%	5.12%	$281,597
Wareham	($405,136)	($663,400)	-1.23%	-1.90%	($258,264)
Warren	$80,862	$288,621	1.98%	6.11%	$207,759
Warwick	($23,541)	$48,474	-2.67%	5.18%	$72,015
Washington	$127,200	$75,596	15.62%	11.05%	($51,604)
Watertown					
Wayland	$923,039	$1,524,186	2.89%	4.71%	$601,147
Webster	$518,828	$839,538	2.47%	3.70%	$320,710
Wellesley	$1,891,248	$2,193,797	3.77%	4.20%	$302,549
Wellfleet	$441,478	$716,456	5.63%	9.06%	$274,978
Wendell	($209,868)		-17.12%		
Wenham	$451,910	$770,128	7.81%	12.98%	$318,218
West Boylston	$29,954	$1,233,362	0.34%	12.37%	$1,203,408
West Bridgewater	$122,882	$700,940	1.08%	5.84%	$578,078
West Brookfield	$643,945	$505,366	18.98%	13.15%	($138,579)
West Newbury	$218,690	$939,869	3.61%	14.21%	$721,179
West Springfield	$310,617	$1,690,308	0.73%	3.73%	$1,379,691
West Stockbridge					
West Tisbury	$257,084	$261,656	4.58%	4.33%	$4,572
Westborough	$1,216,159	$2,202,179	3.87%	6.11%	$986,020
Westfield	$1,589,275	$2,249,824	2.58%	3.39%	$660,549
Westford	($532,528)	$25,503	-1.76%	0.08%	$558,031
Westhampton	$42,675	$41,152	2.10%	1.74%	($1,523)
Westminster	$990,664	$708,967	12.92%	9.14%	($283,697)
Weston	$1,123,009	$1,279,433	3.71%		$156,424
Westport	$490,619		3.03%		
Westwood	$797,538	$1,318,226	2.58%	4.08%	$518,688
Weymouth	$485,895	$1,573,841	0.61%	1.87%	$1,087,946
Whately	$187,691	$204,625	7.46%	7.65%	$16,934
Whitman	$130,321	$622,645	0.81%	3.72%	$492,324
Wilbraham	($458,713)		-2.61%		
Williamsburg	$360,973	$200,144	11.18%	6.17%	($160,829)
Williamstown	$398,763		3.72%		
Wilmington	($1,545,313)		-4.31%		
Winchendon	$8,450		0.06%		
Winchester	$821,528		2.02%		
Windsor	$173,747	$206,588	17.10%		$32,841
Winthrop	$1,114,648	$681,193	4.61%	2.41%	($433,455)
Woburn	($1,729,133)	($1,476,780)	-2.67%	-2.24%	$252,353
Worcester	($495,847)	$4,028,831	-0.17%	1.31%	$4,524,678
Worthington	$60,643	$131,291	4.68%	8.29%	$70,648
Wrentham	$669,057	$752,957	4.72%	4.83%	$83,900
Yarmouth	$2,430,319	$5,140,008	5.86%	11.40%	$2,709,689
Total (Dollars)					
Positive	$237,907,271	$327,005,806			$89,098,535
Negative	$30,847,993	$11,043,509			($19,804,484)
Total (Number)					
Positive	291	280			-11
Negative	48	18			-30
Not Yet Certified	12	53			41

Table 1

What is Free Cash?
➡ *continued from page three*

receipts exceeded estimates by approximately $116 million or 7.7 percent. By FY92, actual statewide local receipts fell short of estimates by approximately $41 million — a turnaround of $157 million.

By FY93, economic conditions had started to improve. Many communities reversed their downward free cash trend. Between FY92 and FY96, state aid increased $865 million from $2.328 to 3.192 billion. Communities that adopted the motor vehicle non-renewal program also began to experience increases in motor vehicle excise collections (see "Trends in Motor Vehicle Excise Tax Collections." *City and Town*, Vol. 9, No. 1, January 1996:1). During this period, actual statewide local receipts exceeded estimates by $38 million in FY93, $85 million in FY94 and, to date, $170 million in FY95. This trend of actual receipts exceeding their estimates may be due, in part, to the return to more conservative budgeting practices in some municipalities. Overall, these factors contributed to the increase in the number of communities with positive free cash balances. As of 7/1/93, 264 communities had positive free cash balances and 74 had free cash deficits. Two years later (7/1/95), 280 communities have positive balances while only 18 communities have negative balances. *Figure 1* shows the trends in statewide free cash amounts from 7/1/88 through 7/1/95.

Free Cash, 7/1/94 — 7/1/95

Over the last year, most communities have improved their free cash balances (see *Table 2*). Though 53 communities remain uncertified as of 7/1/95, thus far, the statewide balance of positive free cash has increased $90 million from $237 (as of 7/1/94) to $327 million (as of 7/1/95). During this same period, the statewide balance of negative free cash has decreased from $31 million to $11 million. When the remaining communities are certified this winter and spring, the improvement may be even more pronounced.

Table 2

Comparison of Positive and Negative Free Cash Balances 7/1/94 — 7/1/95

Positive Balance

	Certifications	Positive Balances	Positive as a % of Total Certified	Positive Free Cash Amount	Avg. Pos. balance as a % of Budget
7/1/94	339	291	85.8%	$237,907,271	3.4%
7/1/95	298	280	94.0%	$327,005,806	4.7%
Difference *	-41	-11	8.2%	$89,098,535	1.3%

Negative Balance

	Certifications	Negative Balances	Negative as a % of Total Certified	Negative Free Cash Amount	Avg. Neg. balance as a % of Budget
7/1/94	339	48	14.2%	($30,847,993)	-1.9%
7/1/95	298	18	6.0%	($11,043,509)	-1.7%
Difference *	-41	-30	-8.2%	$19,804,484	0.2%

**Remaining certifications will occur during the winter and spring of 1996.*

Positive Free Cash Communities

Of the 298 communities with 7/1/95 free cash certifications, 280 or 94.0 percent have positive free cash balances. In percentage terms, this represents an 8.2 percent increase over the 7/1/94 ratio of 85.8 percent.

Not only are more communities seeing positive balances, but those balances have increased over the prior year. Of the 291 positive free cash communities as of 7/1/94, 191 have increased their free cash balances over the 7/1/93 certification. As of 7/1/95, 218 of the 280 positive free cash communities have increased their free cash amounts over the 7/1/94 certification while only 62 have experienced a decrease.

Negative Free Cash Communities

Similar to the recent trend of positive free cash communities improving their financial condition each year, a decreasing number of communities have negative free cash balances.

Forty-eight of the 339 communities certified as of 7/1/94 had negative free cash balances for a combined deficit of $30,847,993. In percentage terms, this represents 14.2 percent of all 7/1/94 certified communities. Of these 48 communities, 31 improved their free cash situation over their 7/1/93 balance. As of 7/1/95, only 18 communities or 6 percent of the total certified have negative free cash balances, for a combined deficit of $11,043,509. Of these 18 communities, 15 improved their free cash situation over the previous year. ■

DLS UPDATE

Sewer Rate Relief Fund — FY96

The Massachusetts General Court created the Sewer Rate Relief Fund in 1993 to help mitigate the escalating costs of sewer service in Massachusetts. An outside section of the state budget in each of the last three years provided that the Department of Revenue's Division of Local Services (DLS) is responsible for the administration of the program while consulting with the state Department of Environmental Protection (DEP). This article describes recent changes in criteria for applicants as well as provides information relating to the FY96 distributions from this fund.

A community's eligibility to participate in the fund has been outlined in a Bulletin published by the Division each year; the most recent Bulletin that was issued on this subject was on August 3, 1995. A few significant changes in eligibility criteria were outlined in Section 275 of the FY96 state budget. The primary changes were the date of issuance of eligible debt was set back by one year to January 1, 1990; date of issuance of eligible debt was expanded to included FY96; and federal assistance to a project no longer disqualified a project from receiving funds from this fund.

With respect to the actual distribution of this aid in FY96, 91 cities and towns are receiving sewer rate relief funds; 43 of these cities and towns will receive the funds through a reduced Massachusetts Water Resources Authority (MWRA) assessment. In addition, this year, another five entities will receive rate relief aid: Lynn Water & Sewer Commission, Hingham, Lexington, Salisbury and West Stockbridge.

Since its inception in 1993, distributions from this fund have risen steadily. In FY94, the total amount distributed was $20.5 million. In FY95, this amount rose to $31.7 million and in FY96 the distributions will reach a new high of $37.9 million which is an increase of 19.5 percent over the previous year's distribution. As a result, many individual ratepayers have felt a positive impact from this fund. For FY96, the MWRA is estimating that its 43 member communities' receipt of $31.9 million in state debt service assistance will reduce its members' sewer fees by 11.6 percent, assuming no previous sewer rate relief aid had been distributed. Looking at the fund's impact from a different perspective, the MWRA also estimates that the aid being distributed to its member communities in FY96 limited their annual rate increase to 0.8 percent over the previous year's rate. As these examples illustrate, the sewer rate relief fund has achieved the goal of limiting the escalating sewer service rates in Massachusetts. ■

Harbor Cleanup

In another article this month we discuss the FY96 distributions from the Sewer Rate Relief Fund. Since most of the Boston harbor project is being paid for by MWRA customers, the court mandated cleanup project contributed heavily to the dramatic rise in sewer rates in the late 1980s and early 1990s. It was these high rates which ultimately led to the creation of the Sewer Rate Relief Fund in 1993.

When the Massachusetts Water Resources Authority (MWRA) began the Boston harbor project, it was scheduled to take eleven years and cost billions of dollars. One of the first steps in the cleanup project was to stop the practice of dumping sewage sludge (the solids removed from wastewater) into the harbor. Instead of discharging the sludge, the MWRA constructed a facility to recycle the sludge into fertilizer pellets. In addition, the MWRA is constructing two new undersea tunnels that will transport wastewater to and from a new sewage treatment facility on Deer Island. The first tunnel is a 4.8 mile long inter-island tunnel that will carry wastewater from Nut Island in Quincy to Deer Island. The second new tunnel is a 9.5 mile long effluent outfall tunnel which will carry treated wastewater out to sea. As of January 1996, the centerpiece of the project, a new primary sewage treatment plant at Deer Island, is partially operational and full secondary treatment is expected to be fully operational in 1999. As a result of this cleanup project, water quality in the harbor is already showing signs of improvement as is evidenced by fewer beach closings, healthier marine life and increased water clarity. ■

Data Bank Highlight

"At A Glance" A Few Keystrokes Away

"At A Glance" is one of the most popular Data Bank municipal profiles. It provides key population, wealth, revenue, state aid, levy limit, property tax, spending, and reserve data on a single page. This report is now on the Division's home page on the World Wide Web. Information is kept current: it's a great way to keep up with the latest data for any community! ■

The Municipal Data Bank is a clearinghouse for a wide variety of municipal financial and socio-economic data. To obtain printed reports and data files call John Sanguinet at (617) 626-2355, for on-screen viewing of individual towns' data or downloading spreadsheets via computer modem from the On-line Access System, call Burt Lewis at (617) 626-2358. Additionally, data files are available through the World Wide Web (see the Internet address on page 8).

Municipal Fiscal Calendar

March 1

DOE: *Notify Communities of Estimated Net School Spending Requirement for the Next Year*

Personal Property Owner: *Submit Form of List*
This is a listing of all personal property filed by the owner with the Assessors each year for the purpose of determining taxes in the next fiscal year.

Non-Profit Organization: *Final Filing Date for 3-ABC Forms*
These must be filed on or before March 1 (this deadline may be extended by the Assessors). In no event should the forms be filed later than 30 days after the tax bill is mailed.

March 31

State Treasurer: *Notification of Quarterly Local Aid Payment on or Before March 31*

IFTA's Impact Upon Local Enforcement

Massachusetts is among 48 jurisdictions within the United States and Canada that has adopted the International Fuel Trade Agreement (IFTA). Effective January 1, 1996, this agreement simplifies the permitting and reporting process for interstate motor carriers by introducing the concept of "one-stop shopping."

Generally, IFTA allows trucking companies to register with a "base jurisdiction" to obtain credentials, truck decals and to file motor fuel taxes. Quarterly tax reports are submitted to the base jurisdiction which then distributes the appropriate share of taxes to other IFTA jurisdictions on behalf of the registrant. Prior to IFTA, motor carriers were required to acquire separate credentials and decals and file tax returns for every state in which they travelled.

These advantages should lead to cost and time savings for the interstate carriers. However, local enforcement officers may experience obstacles in enforcing trucking regulations if they are unaware of the changes imposed by IFTA. In November 1995, the Department of Revenue offered seminars to both police officers and the trucking industry to provide an IFTA overview. If your community did not participate in these seminars but would like information regarding IFTA, please contact DOR's Excises Unit at (617) 887-5080. ■

New England GIS Technologies Conference

The New England Geographic Information Systems Technologies Conference will be held May 2 and 3 at the Holiday Inn in Taunton, Massachusetts. The event is sponsored by the *URISA (Urban & Regional Informational Services Association) Chapters of New England* in conjunction with the Executive Office of Communities and Development and the Executive Office of Environmental Affairs. The conference fee is $95.00. If you have not received a brochure by March 4, please call Mark Ricketson at (617) 727-7001, x. 412.

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Mitchell Adams, Commissioner
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A Publication of the Massachusetts Department of Revenue's Division of Local Services

Minimum Staffing and Job Security Provisions in Collective Bargaining Agreements

Over the years, a number of questions have arisen regarding the effect of minimum staffing and job security provisions in collective bargaining agreements. While a number of court and administrative cases have addressed these issues, many localities are still grappling with what is and what is not required in these agreements. In this article, we give a brief summary of a few decisions that have addressed such provisions and show how they can impact collective bargaining at the local level.

In the landmark case, *Boston Teachers Union, Local 66 v. School Committee of Boston*, 386 Mass. 197 (1982) (*BTU*), the Massachusetts Supreme Judicial Court (SJC) determined that a no-layoff clause in a multi-year collective bargaining agreement was a job security provision that was initially binding for at most one fiscal year. The court held that sufficient annual appropriations would need to be approved before the clause would become binding in subsequent years of the contract. The basis for that opinion was that determining the level of services to be provided within available funds was a managerial prerogative which could not be bargained away. In balancing this public interest with that of the employee in continued employment, the court found that the employer could bind itself to a job security provision only on an annual basis, subject to a sufficient appropriation.

Unanswered by *BTU* was the question of whether minimum staffing provisions in fire and police collective bargaining agreements were job security clauses subject to the same restrictions. Shortly after *BTU* was decided, the Massachusetts Appeals Court held that a provision requiring a minimum number of firefighters on a town force was a job security clause. As a result, when the budget was not sufficiently funded in the second year of the contract, the court held that the staffing provision was not binding on the town. *Saugus v. Newbury*, 15 Mass. App. Ct. 611 (1983). Similarly, a per shift minimum staffing provision was also considered to be essentially a job security provision by the SJC. The court found the provision unenforceable in the second year, even though the town administrator failed to seek a sufficient appropriation. The remedy of the union in the case was to seek a court order compelling the administrator to seek the appropriation necessary to fund the provision in the subsequent year. *Billerica v. International Association of Firefighters, Local 1495*, 415 Mass. 692 (1993).

Although there has been no appellate court decision in a minimum staffing case involving a piece of equipment in operation, the Massachusetts Labor Relations Commission (MLRC) has indicated that such a provision is a mandatory subject of bargaining because it involves significant safety and workload considerations. *Town of Bridgewater and Local 2611, Bridgewater Firefighters Association*, 12 MLC 1612 (2/7/86). However, it is not clear whether this type of provision funded in the first year of a multi-year agreement would be binding in future years without a subsequent appropriation. Therefore, local governments should consider including a clause making such a provision subject to annual appropriation.

The MLRC has consistently made a distinction between per shift and per piece in operation staffing provisions, labeling the former permissive subjects of bargaining, while the latter are considered mandatory subjects. A permissive subject of bargaining is one which the parties may voluntarily bargain and agree, but over which neither party is compelled to bargain or agree. A mandatory subject is one on which the parties must bargain, if raised, although the law does not require that either party agree to a particular provision. M.G.L. Ch. 150E, Sec. 6.

An example of a permissive subject of bargaining which became a mandatory subject involves classroom size and teacher workload. In 1976 the SJC ruled that the hiring of substitute teachers was a proper subject of collective bargaining under the belief that class size and teacher workload were conditions of employment. However, given that school committees had exclusive

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LEGAL

in Our Opinion

Q: *Are unregistered motor vehicles owned by individuals subject to local taxation?*
A: Yes. If a motor vehicle is registered, it is subject to an excise tax under the provisions of M.G.L. Ch.60A. The motor vehicle excise is in lieu of the personal property tax and is based on certain percentages of the vehicle's list price established by the manufacturer at a tax rate of $25 per thousand. Unregistered motor vehicles are subject to a personal property tax. Taxable personal property is assessed at full and fair cash value at the applicable personal property tax rate for a given community. Personal property is usually valued by the cost method taking into account its quality, age and condition.

Q: *A taxpayer took his car off the road in October 1995 and canceled the registration. Would he be entitled to an abatement of his 1995 excise tax?*
A: No. M.G.L. Ch.60A Sec.1 provides that a taxpayer, to receive an abatement of the motor vehicle excise, must establish that a transfer of ownership has occurred by sale, trade or otherwise and the certificate of registration and plates have been surrendered or transferred to another vehicle. Mere cancellation of the registration is not sufficient for abatement.

Q: *In March 1995, a taxpayer whose vehicle was registered for the entire calendar year moved from Boston to Quincy. He did not receive his 1995 excise bill which was assessed by the City of Boston. Would he be liable for the excise tax as well as interest and charges?*
A: Yes. The 1995 excise tax is due to the City of Boston since this is the community where the vehicle was originally registered at the beginning of the 1995 registration year. The tax bill was properly sent to the address appearing on the registration as of January 1995. Since payment was not timely received by the collector, the taxpayer would be responsible for accrued interest and charges. Furthermore, M.G.L. Ch.90 Sec.26A requires the registrant to notify the Registry of Motor Vehicles in writing within 30 days of any change of the registrant's name, residential address or mail address. If the Registry is properly notified, the 1996 excise will be billed and collected by the City of Quincy which is the new residential address.

Q: *A collector reported that situations arose where full payment of a real estate tax bill has been received from two sources, such as the taxpayer and the mortgagee bank. Should the collector automatically refund the second payment?*
A: No. The Supreme Judicial Court held in *Macioci v. Commissioner of Revenue*, 386 Mass. 752, 768 (1982) that "assessors establish a single assessment list, assess a single annual tax and commit a single tax list and warrant to the collector. The entire tax is due and payable when committed to the tax collector." As a matter of law, there has been no overpayment until the entire tax as committed has been satisfied. Although the collector is legally required to make a refund only if there has been a payment in excess of the amount committed, it has been our view that certain equitable factors may warrant a refund. It has been our position, however, that *no refund* should be made if the collector has relied on the second payment in preparing a municipal lien certificate. The collector also should not refund any money if more than one person is claiming ownership of these funds or if the collector is uncertain to whom a refund should be made.

Q: *Would a tax taking for fiscal year 1995 taxes be valid if the assessment as well as the notice of intent to take had listed a former owner and not the owner of record as of January 1, 1994?*
A: No. In this instance, there is a defective assessment and an invalid tax title. The collector should disclaim the taking as set forth in M.G.L. Ch.60 Sec.84. The assessors should reassess the taxes to the proper party pursuant to M.G.L. Ch.59 Sec.77. Interest is owed at 14 percent from the date of the original commitment. The collector should send a demand to the actual assessed owner if payment has not been received in response to the reassessed tax bill. This would be followed by a new tax taking to perfect the lien if the collector still has not received full payment.

Q: *The Land Court had issued decrees of foreclosure on certain parcels in tax title and they are currently tax possessions. The newly created tax possession account does not include fiscal year 1995 taxes. Would the abatement of FY95 taxes not certified to the tax title account be charged to the overlay account?*
A: Yes. M.G.L. Ch.59 Sec.70A provides that an abated tax should be charged to the overlay account of the fiscal year to which the tax relates. If the overlay account of that fiscal year has been depleted, the abatement will result in an overlay deficit that must be raised in the tax rate as required by M.G.L. Ch.59 Sec.23. The treatment of abated taxes is the same whether the taxes are paid or unpaid, or whether the abatement is granted under M.G.L. Ch.59 Sec.59 or has been authorized pursuant to M.G.L. Ch.58 Sec.8. ■

Focus on Municipal Finance

Massachusetts Population: Estimates and Trends

In the fall of 1995, the US Census Bureau released the new 1994 population estimates for all states, counties and localities. Since population estimates are used to determine many federal and state aid allocations, these new estimates are of utmost importance to the state. In this article, we describe how these population estimates are calculated and present the new 1994 population estimates, the revised 1992 estimates and the 1990 decennial census figures. In addition, as part of our report on changes in the state's population, we briefly describe changes in birth statistics in Massachusetts.

An example of how significant population estimates are to cities and towns is the number of local aid formulas that require the most recent population estimates as a component of their formulas. The Cherry Sheet programs that require population estimates in their formulas are: Lottery, Air Pollution Control, Metropolitan Area Planning Council, MBTA, Old Colony Planning Council, Public Libraries, and Regional Public Libraries. It is important to note that population is usually one of a number of variables used in these local aid formulas.

Calculating Population Estimates

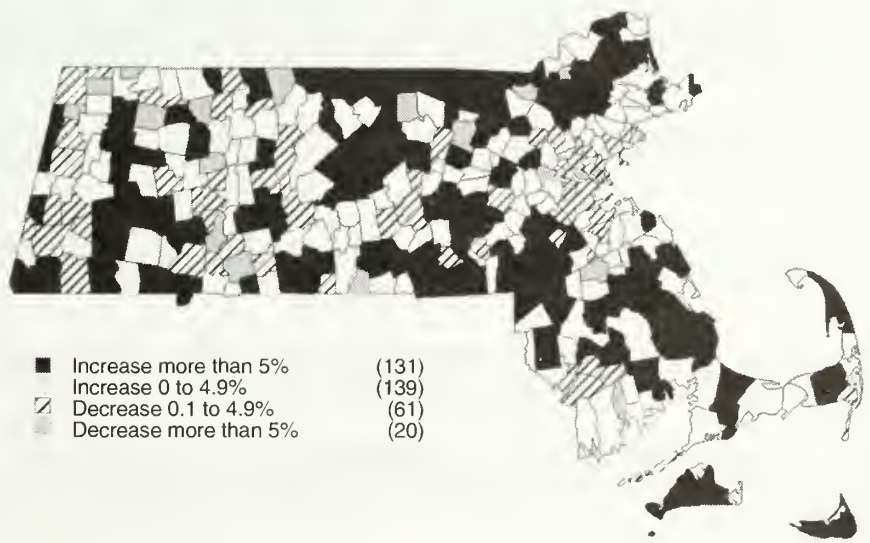
The US Census Bureau follows a two-part process for calculating state and county population estimates. Each part has four components. The first part estimates the population over the age of 65; this portion of the state's population is based on the number of individuals entering the over 65 age group, deaths, international migration and net domestic migration (based on Medicare enrollment). The second part estimates the population for those under the age of 65; it uses births, deaths, international migration and net domestic migration (based on a sample of successive years' federal tax returns). In both cases, the birth and death data are obtained from each state's Department of Vital Statistics and the international migration data are derived from a combination of federal Immigration and Naturalization Service (INS) data, undocumented immigrants and federal citizen movement overseas. Note that the city and town level estimates are based only on the second four-part process which uses a sample of successive years' tax returns to estimate net domestic migration.

Over the last two years, the Massachusetts Institute for Social and Economic Research (MISER) and the US Census Bureau have been working together to determine whether certain Massachusetts cities and towns' populations are being underestimated. The concern is that the net domestic migration portion of the calculation may be underestimating certain cities and towns' populations which results in the state total being underestimated as well. MISER believes that the current process of estimating successive years' tax returns may not accurately reflect the net migration of significant portions of the student population and some low-income households. As a result, MISER is working with the US Census Bureau in an effort to develop a new methodology or an acceptable adjustment methodology to correct for this problem.

continued on page six ➡

Figure 1

Massachusetts Changing Population – 1990 to 1994



Massachusetts Cities and Towns' Populations 1990 – 1994

Municipality	Actual 4/1/90	Estimate 7/1/92	Estimate 7/1/94	Pct Change 1990-1994
Abington	13,817	14,092	14,467	4.7%
Acton	17,872	17,954	18,371	2.8%
Acushnet	9,554	9,917	9,904	3.7%
Adams	9,445	9,233	9,072	-3.9%
Agawam	27,323	27,528	27,572	0.9%
Alford	418	408	403	-3.6%
Amesbury	14,997	15,013	15,980	6.6%
Amherst	35,228	34,432	35,480	0.7%
Andover	29,151	30,296	31,317	7.4%
Arlington	44,630	43,834	43,624	-2.3%
Ashburnham	5,433	5,599	5,756	5.9%
Ashby	2,717	2,856	2,996	10.3%
Ashfield	1,715	1,704	1,742	1.6%
Ashland	12,066	12,323	12,888	6.8%
Athol	11,451	11,464	11,678	2.0%
Attleboro	38,383	38,318	38,863	1.3%
Auburn	15,005	15,085	15,226	1.5%
Avon	4,558	4,582	4,476	-1.8%
Ayer	6,871	6,991	7,107	3.4%
Barnstable	40,949	41,540	42,579	4.0%
Barre	4,546	4,725	4,813	5.9%
Becket	1,481	1,537	1,611	8.8%
Bedford	12,996	13,023	12,765	-1.8%
Belchertown	10,579	11,137	11,724	10.8%
Bellingham	14,877	14,990	15,246	2.5%
Belmont	24,720	24,249	24,339	-1.5%
Berkley	4,237	4,794	5,473	29.2%
Berlin	2,293	2,321	2,368	3.3%
Bernardston	2,048	2,059	2,016	-1.6%
Beverly	38,195	38,393	38,755	1.5%
Billerica	37,609	38,174	38,853	3.3%
Blackstone	8,023	8,216	8,468	5.5%
Blandford	1,187	1,179	1,209	1.9%
Bolton	3,134	3,304	3,593	14.6%
Boston	574,283	551,898	547,725	-4.6%
Bourne	16,064	16,411	16,646	3.6%
Boxborough	3,343	3,656	4,201	25.7%
Boxford	6,266	6,564	7,112	13.5%
Boylston	3,517	3,562	3,555	1.1%
Braintree	33,836	34,007	33,798	-0.1%
Brewster	8,440	8,820	9,242	9.5%
Bridgewater	21,249	21,449	23,041	8.4%
Brimfield	3,001	3,154	3,260	8.6%
Brockton	92,788	89,430	87,411	-5.8%
Brookfield	2,968	3,065	3,098	4.4%
Brookline	54,718	52,886	52,716	-3.7%
Buckland	1,928	2,019	2,165	12.3%
Burlington	23,302	23,272	23,179	-0.5%
Cambridge	95,802	97,526	99,890	4.3%
Canton	18,530	19,178	20,039	8.1%
Carlisle	4,333	4,445	4,615	6.5%
Carver	10,590	10,907	11,184	5.6%
Charlemont	1,249	1,275	1,236	-1.0%
Charlton	9,576	10,806	11,638	21.5%
Chatham	6,579	6,331	6,269	-4.7%
Chelmsford	32,383	32,823	33,617	3.8%
Chelsea	28,710	26,328	25,726	-10.4%
Cheshire	3,479	3,377	3,499	0.6%
Chester	1,280	1,350	1,362	6.4%
Chesterfield	1,048	1,041	1,040	-0.8%

Municipality	Actual 4/1/90	Estimate 7/1/92	Estimate 7/1/94	Pct Change 1990-1994
Chicopee	56,632	56,070	55,024	-2.8%
Chilmark	650	717	773	18.9%
Clarksburg	1,745	1,726	1,701	-2.5%
Clinton	13,222	12,938	12,845	-2.9%
Cohasset	7,075	7,276	7,503	6.0%
Colrain	1,757	1,812	1,817	3.4%
Concord	17,076	17,517	17,563	2.9%
Conway	1,529	1,589	1,720	12.5%
Cummington	785	821	828	5.5%
Dalton	7,155	7,182	7,194	0.5%
Danvers	24,174	24,272	24,569	1.6%
Dartmouth	27,244	27,322	27,868	2.3%
Dedham	23,782	23,642	23,546	-1.0%
Deerfield	5,018	5,100	5,158	2.8%
Dennis	13,864	13,741	13,945	0.6%
Dighton	5,631	5,780	5,761	2.3%
Douglas	5,438	5,956	6,510	19.7%
Dover	4,915	5,153	5,500	11.9%
Dracut	25,594	26,667	27,576	7.7%
Dudley	9,540	9,538	9,554	0.1%
Dunstable	2,236	2,420	2,537	13.5%
Duxbury	13,895	14,033	14,556	4.8%
E Bridgewater	11,104	11,706	12,005	8.1%
E Brookfield	2,033	2,002	2,034	0.0%
E Longmeadow	13,367	13,687	14,146	5.8%
Eastham	4,462	4,539	4,639	4.0%
Easthampton	15,537	15,448	15,512	-0.2%
Easton	19,807	20,071	20,756	4.8%
Edgartown	3,062	3,120	3,310	8.1%
Egremont	1,229	1,296	1,252	1.9%
Erving	1,372	1,317	1,323	-3.6%
Essex	3,260	3,348	3,555	9.0%
Everett	35,701	34,822	34,139	-4.4%
Fairhaven	16,132	16,220	16,279	0.9%
Fall River	92,703	90,938	89,425	-3.5%
Falmouth	27,960	28,176	28,949	3.5%
Fitchburg	41,194	38,169	36,726	-10.8%
Florida	742	756	761	2.6%
Foxborough	14,637	14,846	15,532	6.1%
Framingham	64,989	63,669	63,366	-2.5%
Franklin	22,095	23,971	25,818	16.8%
Freetown	8,522	8,471	8,466	-0.7%
Gardner	20,125	20,270	20,330	1.0%
Gay Head	201	191	221	10.0%
Georgetown	6,384	6,655	7,210	12.9%
Gill	1,583	1,568	1,612	1.8%
Gloucester	28,716	28,791	29,098	1.3%
Goshen	830	835	860	3.6%
Gosnold	98	89	96	-2.0%
Grafton	13,035	13,171	13,398	2.8%
Granby	5,565	5,795	6,022	8.2%
Granville	1,403	1,522	1,558	11.0%
Gr Barrington	7,725	7,698	7,702	-0.3%
Greenfield	18,666	18,511	18,026	-3.4%
Groton	7,511	8,213	8,714	16.0%
Groveland	5,214	5,441	5,540	6.3%
Hadley	4,231	4,229	4,327	2.3%
Halifax	6,526	6,671	6,935	6.3%
Hamilton	7,280	7,386	7,572	4.0%
Hampden	4,709	4,784	4,816	2.3%

Municipality	Actual 4/1/90	Estimate 7/1/92	Estimate 7/1/94	Pct Change 1990-1994
Hancock	628	731	686	9.2%
Hanover	11,912	12,319	12,554	5.4%
Hanson	9,028	9,289	9,612	6.5%
Hardwick	2,385	2,445	2,453	2.9%
Harvard	12,329	12,053	11,215	-9.0%
Harwich	10,275	10,591	11,080	7.8%
Hatfield	3,184	3,225	3,175	-0.3%
Haverhill	51,418	52,208	52,962	3.0%
Hawley	317	299	274	-13.6%
Heath	716	714	725	1.3%
Hingham	19,821	19,783	20,052	1.2%
Hinsdale	1,959	2,003	2,023	3.3%
Holbrook	11,041	11,028	11,117	0.7%
Holden	14,628	14,886	15,265	4.4%
Holland	2,185	2,169	2,179	-0.3%
Holliston	12,926	13,078	13,393	3.6%
Holyoke	43,704	41,912	40,370	-7.6%
Hopedale	5,666	5,655	5,733	1.2%
Hopkinton	9,191	9,915	10,704	16.5%
Hubbardston	2,797	3,153	3,364	20.3%
Hudson	17,233	17,259	17,414	1.1%
Hull	10,466	10,592	10,747	2.7%
Huntington	1,987	2,069	2,139	7.6%
Ipswich	11,873	12,047	12,421	4.6%
Kingston	9,045	9,639	10,256	13.4%
Lakeville	7,785	8,294	8,816	13.2%
Lancaster	6,661	6,558	6,521	-2.1%
Lanesborough	3,032	2,993	2,994	-1.3%
Lawrence	70,207	65,919	63,117	-10.1%
Lee	5,849	5,687	5,798	-0.9%
Leicester	10,191	10,051	10,105	-0.8%
Lenox	5,069	5,164	5,149	1.6%
Leominster	38,145	38,288	38,240	0.2%
Leverett	1,785	1,780	1,816	1.7%
Lexington	28,974	29,007	29,108	0.5%
Leyden	662	688	740	11.8%
Lincoln	7,666	7,835	8,249	7.6%
Littleton	7,051	7,192	7,530	6.8%
Longmeadow	15,467	15,496	15,559	0.6%
Lowell	103,439	99,121	96,054	-7.1%
Ludlow	18,820	19,221	19,581	4.0%
Lunenburg	9,117	9,245	9,468	3.8%
Lynn	81,245	78,979	78,312	-3.6%
Lynnfield	11,049	11,044	11,290	2.2%
Malden	53,884	53,387	51,803	-3.9%
Manchester	5,286	5,399	5,457	3.2%
Mansfield	16,568	17,880	19,244	16.2%
Marblehead	19,971	20,407	20,745	3.9%
Marion	4,496	4,646	4,860	8.1%
Marlborough	31,813	32,179	33,278	4.6%
Marshfield	21,531	22,177	23,133	7.4%
Mashpee	7,884	8,715	9,540	21.0%
Mattapoisett	5,850	5,832	5,861	0.2%
Maynard	10,325	10,421	10,419	0.9%
Medfield	10,531	10,770	11,466	8.9%
Medford	57,407	56,703	55,671	-3.0%
Medway	9,931	10,471	11,232	13.1%
Melrose	28,150	27,625	27,224	-3.3%
Mendon	4,010	4,315	4,584	14.3%
Merrimac	5,166	5,464	5,803	12.3%

Municipality	Actual 4/1/90	Estimate 7/1/92	Estimate 7/1/94	Pct Change 1990-1994
Methuen	39,990	40,662	40,964	2.4%
Middleborough	17,867	18,130	18,613	4.2%
Middlefield	392	409	439	12.0%
Middleton	4,921	5,141	5,383	9.4%
Milford	25,355	25,032	25,209	-0.6%
Millbury	12,228	12,207	12,327	0.8%
Millis	7,613	7,863	7,967	4.6%
Millville	2,236	2,425	2,567	14.8%
Milton	25,725	25,793	25,788	0.2%
Monroe	115	121	82	-28.7%
Monson	7,776	8,101	8,242	6.0%
Montague	8,316	8,497	8,444	1.5%
Monterey	805	818	823	2.2%
Montgomery	759	775	820	8.0%
Mt Washington	135	135	167	23.7%
Nahant	3,828	3,757	3,744	-2.2%
Nantucket	6,012	6,223	6,794	13.0%
Natick	30,510	30,451	30,817	1.0%
Needham	27,557	27,667	28,080	1.9%
New Ashford	192	189	175	-8.9%
New Bedford	99,922	96,967	94,623	-5.3%
New Braintree	881	924	971	10.2%
New Marlborough	1,240	1,228	1,218	-1.8%
New Salem	802	786	776	-3.2%
Newbury	5,623	6,007	6,384	13.5%
Newburyport	16,317	16,528	16,838	3.2%
Newton	82,585	83,883	85,358	3.4%
Norfolk	9,259	9,928	10,412	12.5%
N Adams	16,797	15,795	15,485	-7.8%
N Andover	22,792	23,705	24,532	7.6%
N Attleborough	25,038	25,429	26,375	5.3%
N Brookfield	4,708	4,815	4,804	2.0%
N Reading	12,002	12,285	12,849	7.1%
Northampton	29,289	28,880	28,879	-1.4%
Northborough	11,929	12,188	12,752	6.9%
Northbridge	13,371	12,952	13,207	-1.2%
Northfield	2,838	2,970	3,115	9.8%
Norton	14,265	15,184	15,775	10.6%
Norwell	9,279	9,510	9,591	3.4%
Norwood	28,700	28,699	28,607	-0.3%
Oak Bluffs	2,804	2,915	2,996	6.8%
Oakham	1,503	1,583	1,638	9.0%
Orange	7,312	7,520	7,542	3.1%
Orleans	5,838	5,769	5,864	0.4%
Otis	1,073	1,159	1,191	11.0%
Oxford	12,588	13,029	13,298	5.6%
Palmer	12,054	12,272	12,189	1.1%
Paxton	4,047	4,176	4,205	3.9%
Peabody	47,264	47,696	47,993	1.5%
Pelham	1,373	1,315	1,338	-2.5%
Pembroke	14,544	15,231	16,022	10.2%
Pepperell	10,098	10,389	10,850	7.4%
Peru	779	809	863	10.8%
Petersham	1,131	1,125	1,179	4.2%
Phillipston	1,485	1,480	1,654	11.4%
Pittsfield	48,622	47,291	46,437	-4.5%
Plainfield	571	575	593	3.9%
Plainville	6,871	6,982	7,465	8.6%
Plymouth	45,608	47,241	48,997	7.4%
Plympton	2,384	2,462	2,604	9.2%

Municipality	Actual 4/1/90	Estimate 7/1/92	Estimate 7/1/94	Pct Change 1990-1994
Princeton	3,189	3,252	3,424	7.4%
Provincetown	3,561	3,546	3,587	0.7%
Quincy	84,985	84,664	84,040	-1.1%
Randolph	30,093	30,412	30,126	0.1%
Raynham	9,867	10,023	10,443	5.8%
Reading	22,539	22,652	22,853	1.4%
Rehoboth	8,656	8,889	9,240	6.7%
Revere	42,786	42,822	41,843	-2.2%
Richmond	1,677	1,707	1,694	1.0%
Rochester	3,921	4,061	4,373	11.5%
Rockland	16,123	16,375	16,703	3.6%
Rockport	7,482	7,630	7,854	5.0%
Rowe	378	385	396	4.8%
Rowley	4,452	4,844	5,162	15.9%
Royalston	1,147	1,199	1,190	3.7%
Russell	1,594	1,629	1,654	3.8%
Rutland	4,936	5,112	5,446	10.3%
Salem	38,091	37,639	37,497	-1.6%
Salisbury	6,882	6,976	7,042	2.3%
Sandisfield	667	720	765	14.7%
Sandwich	15,489	16,640	17,755	14.6%
Saugus	25,549	25,579	25,949	1.6%
Savoy	634	661	723	14.0%
Scituate	16,786	16,808	17,223	2.6%
Seekonk	13,046	12,986	13,166	0.9%
Sharon	15,517	15,781	16,542	6.6%
Sheffield	2,910	3,004	3,160	8.6%
Shelburne	2,012	1,981	1,887	-6.2%
Sherborn	3,989	4,081	4,156	4.2%
Shirley	6,118	7,097	7,142	16.7%
Shrewsbury	24,146	24,644	26,101	8.1%
Shutesbury	1,561	1,670	1,695	8.6%
Somerset	17,655	17,458	17,442	-1.2%
Somerville	76,210	70,994	68,940	-9.5%
S Hadley	16,685	16,709	17,039	2.1%
Southampton	4,478	4,638	4,906	9.6%
Southborough	6,628	6,821	7,274	9.7%
Southbridge	17,816	16,411	16,122	-9.5%
Southwick	7,667	7,974	8,163	6.5%
Spencer	11,645	11,793	11,679	0.3%
Springfield	156,983	153,440	149,164	-5.0%
Sterling	6,481	6,749	7,041	8.6%
Stockbridge	2,408	2,363	2,311	-4.0%
Stoneham	22,203	22,051	22,017	-0.8%
Stoughton	26,777	26,987	27,050	1.0%
Stow	5,328	5,381	5,535	3.9%
Sturbridge	7,775	8,054	8,046	3.5%
Sudbury	14,358	14,772	15,290	6.5%
Sunderland	3,399	3,353	3,547	4.4%
Sutton	6,824	7,175	7,565	10.9%
Swampscott	13,650	13,694	13,743	0.7%
Swansea	15,411	15,328	15,572	1.0%
Taunton	49,832	50,722	51,624	3.6%
Templeton	6,438	6,692	6,572	2.1%
Tewksbury	27,266	28,457	28,946	6.2%
Tisbury	3,120	3,110	3,171	1.6%
Tolland	289	301	295	2.1%
Topsfield	5,754	5,789	5,919	2.9%
Townsend	8,496	8,744	9,041	6.4%
Truro	1,573	1,571	1,671	6.2%

Municipality	Actual 4/1/90	Estimate 7/1/92	Estimate 7/1/94	Pct Change 1990-1994
Tyngsborough	8,642	9,096	9,637	11.5%
Tyringham	369	361	368	-0.3%
Upton	4,677	4,977	5,335	14.1%
Uxbridge	10,415	10,852	11,497	10.4%
Wakefield	24,825	25,075	25,176	1.4%
Wales	1,566	1,711	1,774	13.3%
Walpole	20,223	20,816	21,872	8.2%
Waltham	57,878	55,346	54,791	-5.3%
Ware	9,808	9,834	9,783	-0.3%
Wareham	19,232	19,523	20,120	4.6%
Warren	4,437	4,531	4,584	3.3%
Warwick	740	708	638	-13.8%
Washington	615	605	622	1.1%
Watertown	33,284	32,166	31,437	-5.5%
Wayland	11,874	12,177	12,355	4.1%
Webster	16,196	16,214	16,227	0.2%
Wellesley	26,615	26,778	27,036	1.6%
Wellfleet	2,493	2,571	2,685	7.7%
Wendell	899	920	921	2.4%
Wenham	4,212	4,300	4,418	4.9%
W Boylston	6,611	6,538	6,600	-0.2%
W Bridgewater	6,389	6,379	6,455	1.0%
W Brookfield	3,532	3,590	3,669	3.9%
W Newbury	3,421	3,648	3,930	14.9%
W Springfield	27,537	27,229	26,786	-2.7%
W Stockbridge	1,483	1,515	1,596	7.6%
W Tisbury	1,704	1,757	1,854	8.8%
Westborough	14,133	14,403	15,165	7.3%
Westfield	38,372	37,929	38,186	-0.5%
Westford	16,392	17,308	18,407	12.3%
Westhampton	1,327	1,384	1,392	4.9%
Westminster	6,191	6,396	6,553	5.8%
Weston	10,200	10,154	10,301	1.0%
Westport	13,852	14,049	14,110	1.9%
Westwood	12,557	13,015	13,329	6.1%
Weymouth	54,063	54,816	54,859	1.5%
Whately	1,375	1,424	1,298	-5.6%
Whitman	13,240	13,373	13,439	1.5%
Wilbraham	12,635	12,546	12,553	-0.6%
Williamsburg	2,515	2,519	2,547	1.3%
Williamstown	8,220	8,152	7,907	-3.8%
Wilmington	17,651	18,482	19,193	8.7%
Winchendon	8,805	9,065	9,248	5.0%
Winchester	20,267	20,410	20,652	1.9%
Windsor	770	813	863	12.1%
Winthrop	18,127	17,996	17,953	-1.0%
Woburn	35,943	36,292	36,374	1.2%
Worcester	169,759	165,811	165,387	-2.6%
Worthington	1,156	1,215	1,206	4.3%
Wrentham	9,006	9,532	10,186	13.1%
Yarmouth	21,174	21,337	21,727	2.6%
Total	**6,016,425**	**5,999,245**	**6,041,187**	**0.4%**

Table 1

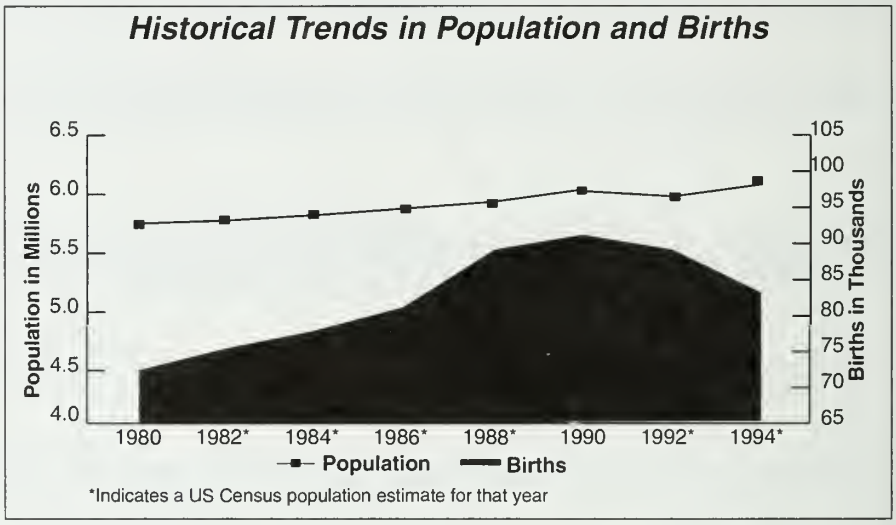
Massachusetts Population: Estimates and Trends
➡ *continued from page three*

Population Trends, 1990-1994

The last decennial census was in 1990. The US Census Bureau population estimates released after 1990 use the decennial headcount as a benchmark. Although city and town estimates have traditionally been prepared on a biennial schedule, the US Census Bureau's release in the fall of 1995 included new figures for 1991, 1992, 1993 and 1994. Future releases are also expected to be on an annual basis.

Statewide, the Massachusetts population is estimated to have grown by approximately 25,000 residents or 0.4 percent between 1990 and 1994. The majority of cities and towns (76.9 percent) have seen their populations rise since 1990. Six communities grew in excess of 20 percent during this time period. They were: Berkley, Boxborough, Mount Washington, Charlton, Mashpee, and Hubbardston. Only one community, Monroe, declined in population by more than 20 percent. The map in *Figure 1* illustrates the percentage change in each community's population between 1990 and 1994. In this map 131 communities increased by more than 5 percent, 139 increased between 0 and 4.9 percent, 61 decreased between 0.1 and 4.9 percent, and 20 decreased by more than 5 percent. From a different perspective, those communities with the largest increases in the number of residents were Cambridge, Franklin, Plymouth, Newton and Mansfield while those with the largest decreases in residents were Boston, Springfield, Lowell, Somerville, and Lawrence. In *Table 1* we show every city and town's actual population in 1990, revised estimated population for 1992, the new population estimates for 1994 and the percentage change in population from 1990 to 1994.

Figure 2



An examination of kind-of-community (KOC) population changes indicates that over 90 percent of both the residential suburbs and "growth" communities experienced population growth between 1990 and 1994. Over 70 percent of economically developed suburbs, rural economic centers, small rural communities and resort/retirement/artistic communities also saw their populations rise during the same time period. The only KOC group that had a majority (71.1 percent) of its communities decline in population was the urbanized centers category.

In another chart, *Figure 2*, we show the historical trends in the state's aggregate population and births. We have included birth data because it has obvious implications for future school enrollment. Interestingly enough, the state's population grew steadily throughout the 1980s and leveled off in the early 1990s before increasingly slightly in 1993 and 1994. Birth data followed a similar pattern of growth in the 1980s before peaking in 1990 and experiencing a gradual decline thereafter. A comparison of the changes in population to the changes in births from 1990 to 1994 show that the state's population grew by 0.4 percent while births declined in that same time period by 9.4 percent. ■

DLS UPDATE

Preparing the 1996 EQVs

Every two years M.G.L. Ch.58 Sec.9-10A & 10C requires the Commissioner of Revenue to calculate a proposed equalized valuation for each city and town. The Equalized Valuation (EQV) program was established to determine an estimate of the full and fair cash value of all taxable property within a city or town. These estimates are developed as of a common date every two years because property recertification is done on a three-year cycle. The Division of Local Services (DLS) Bureau of Local Assessment (BLA) is currently in the process of developing EQV estimates for 1996. This article briefly describes the impact of the EQVs on local aid distributions, the assistance and data needed from assessors to ensure timely and accurate estimates and the timetable for completion of the EQV estimates.

EQVs have been an important variable in many of the local aid distribution formulas of the 1990s. In recent years, much of the new non-education aid going to cities and towns has been distributed through the lottery formula. This formula is one of the many Cherry Sheet formulas that use EQVs as a primary variable.

The EQV process begins with the submission of sales and assessment data by local assessors to DLS. Our first request for information came in a letter dated November 14, 1995, requesting the submission of the LA-3 assessment/sales report with 1994 sales and 1/1/95 (FY96) assessed values. In some cases, 1993 or 1995 sales data were also requested to generate a statistically valid or representative sales sample. In communities with limited commercial and industrial class sales data available to analyze, the BLA will complete market appraisals for selected properties. In an effort to obtain the appropriate market data for these appraisals, the letter of November 14, 1995, requested that available current income and expense data be included with a community's submission of the sales report. Assessors should note that all the requested income and expense data will retain the confidential status this information has when it is submitted as part of the triennial certification process.

Boards of Assessors can greatly facilitate the completion of the proposed EQVs by supplying the requested information to DLS on computer disk. Instructions for the submission format and the varieties of software that can be used were included in DLS's initial request for information. Since a community may be forfeiting its appeal rights if it does not respond timely to the request for information, local cooperation is essential for the timely development of the proposed EQV estimates.

DLS plans to notify each community of its proposed EQV by June 1, 1996. Then, DLS will conduct informal hearings with any interested city or town to review the values, data and calculations. If new information is provided during these hearings that would cause us to change a community's equalized value, a notice of change will be issued prior to July 20. Communities also have the opportunity to submit a formal appeal to the Appellate Tax Board (ATB) on or before August 10, 1996. After the ATB completes any decisions (no later than January 20, 1997) on proposed EQVs, DLS will submit the final EQVs to the legislature on January 31, 1997.

Questions about the EQV process should be directed to Andre Pomerantzeff, BLA's Manager of Assessment Programs, at (617) 626-2402. ■

Minimum Staffing and Job Security
➡ *continued from page one*

authority over educational policy, including class size and teacher workload, the SJC indicated that the school committee did not have to bargain over such matters. To the extent the school committee did bargain and agree, it could be bound to the extent funds were available to implement the agreement. *Boston Teachers Union v. School Committee of Boston*, 370 Mass. 455. Since this issue was not clearly defined in the law, the SJC called upon the legislature to give further guidance in the area. Consequently, the legislature amended M.G.L. Ch. 150E, Sec. 6 in 1986 to include teacher class size and workload as mandatory subjects of bargaining. As a result, it appears that school committee agreements limiting class size and workload may be enforceable beyond the first year of the agreement. Again, it might be advisable for school committees to include appropriation clauses in their contracts to avoid potential problems in future contract years.

Any questions about these or other collective bargaining finance issues should be directed to DLS's Gary Blau at (617) 626-2315. ■

Data Bank Highlight

Birth and Enrollment Trends In Your Community

As shown in this month's FOCUS, the effect of the baby "boomerang" (children of the baby boom having babies of their own) is nearly over. Statewide, the number of births has been declining steadily since 1990. This decrease will soon be felt in the lower grades of public schools. Meanwhile, the upper grades continue to grow. "Birth and

continued on page eight ➡

Municipal Fiscal Calendar

April 1
Collector: *Mail 2nd Half Semi-annual Tax Bills*

DLS Internet Survey

Due to the success of the Division of Local Services on-line home page on the World Wide Web, DLS is planning to expand its use of the Internet as a means of communication to and from local officials. So, in order to appropriately plan the computing power we will need in coming years and to determine which applications will best serve our Internet users, we recently sent a survey to over 3,000 local officials on the DLS mailing list. The survey sample included local officials from cities, towns, counties, taxing districts, regional school districts and libraries across the state.

Preliminary survey results show 36 percent, or 1,137 local officials responded. Of those responses, 338 of the state's cities and towns, or 96 percent, were represented. In addition, 35 regional school districts, or 42 percent, submitted survey responses as did a number of other special districts like county commissions and water, fire, and planning districts.

Overall, the survey results indicate that about 30 percent of those who responded to the survey are currently connected to the Internet. Another 17 percent reported plans to obtain Internet access in the upcoming year. An additional seven percent believe that there is a possibility that they could be connected to the Internet within the next 12 months. As for where these officials have Internet access, 42 percent of officials reported that they had access from office computers, 30 percent from their homes and 28 percent had access in both their offices and their homes. From this preliminary survey information, DLS is estimating that about half of all local officials will be connected and using the Internet within a year or two. ■

Data Bank Highlight
➡ *continued from page seven*

enrollment trends" is a Data Bank report that shows, for each municipality, the number of births and resident public school children for each year going back to 1980. Birth data was obtained from the Massachusetts Department of Public Health. Enrollment—derived from the Massachusetts Department of Education's "School Attending Children" reports—is reported by K-6, 7-8, 9-12 and K-12 grade clusters. ■

To obtain Municipal Data Bank information contact John Sanguient at (617) 626-2355 for printed reports and data files; Burt Lewis at (617) 626-2358 for the On-Line Access System; or use http://www.magnet.state.ma.us/dor/dls on the World Wide Web.

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CITY & TOWN

Mitchell Adams, Commissioner
Harry M. Grossman, Acting Deputy Commissioner

A Publication of the Massachusetts Department of Revenue's Division of Local Services

Aid for Title 5 Improvements

Written by Kay M. Upham

With the implementation of the new Title 5 regulations in March 1995, an assortment of aid mechanisms have been proposed to assist both communities and homeowners grappling with the new, tougher septic systems regulations. In this article, we list some of the Title 5 aid programs which have been approved by the legislature. Specifically, we provide information regarding program characteristics and the state agencies administering the programs.

As many local officials are already aware, Chapter 60, Section 116 of the Acts of 1994, the "Betterment Bill" as it is more commonly called, gave municipalities the means to facilitate septic system improvements or repairs on private property. Under this statute, a municipality can fund repairs to failing septic systems, the removal of underground fuel storage tanks and the removal of dangerous levels of lead paint. Once the work is completed, the actual amount spent by the municipality is treated as a betterment assessment to the property owner. As such, repayment is made by having a portion of the amount owed plus interest added to the owner's annual property tax bill. The property owner then has up to 20 years to repay in this manner. A lien on the property secures the repayment. As the betterment is repaid, the funds return to a revolving fund where new betterments to other property owners can then be funded without appropriation.

One Title 5 aid program that is in the process of being implemented is the Septic System Repair Program (originally referred to as the $10 million dollar "seed money" fund) which was authorized by M.G.L. Ch.85 Sec.2 (line item 2200-9959) of the Acts of 1994. Under this program, eligible communities can use the funds for either betterments or home improvement loans or both. One fundamental difference between these two types of financing options is the responsibility for contracting the repair services. Under a betterment program the city or town is responsible, while under a home improvement loan program the individual homeowner is responsible for contracting the necessary repair services, subject to approval by local boards of health. In the fall of 1995, the Department of Environmental Protection (DEP) and the Executive Office of Communities and Development (EOCD) began the process for distributing this aid to cities and towns. Currently, 97 communities have each been allocated $100,000 to set up one of these two types of loan programs. EOCD began distributing the initial aid payments in January 1996.

Aid to assist communities grappling with the new, tougher septic systems regulations

Another $30 million Title 5 aid program was passed in early 1996 as part of the Open Space Bond Bill (Ch.15 Sec.2 of the Acts of 1996). In the act, $25 million of the authorized funds are earmarked for betterment loans. An additional $5 million is authorized for loans to enable homeowners with septic systems to connect to municipal systems or to replace failing septic systems with zero pollution discharge systems. The distribution method for this program is currently under development.

Another source of Title 5 aid was announced in late January 1996. This aid, $50 million, came from the State Revolving Fund and is earmarked for sewer connection or extension loans. These funds were not a new appropriation but rather savings from previous loans made through the State Revolving Fund that were recently refinanced at lower rates. The $50 million is targeted for low-interest loans to communities that would be better off building or extending sewer systems rather than repairing existing septic systems. The proposed list of recipients included 20 cities and towns. These proposed awards are based on a prioritization of needs as indicated through a

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LEGAL

in Our Opinion

Q: *Can a town school committee exclude members of the finance committee from attending school committee collective bargaining "strategy" sessions?*
A: Yes. Although we can find nothing in the collective bargaining law (M.G.L. Ch.150E) or school committee law (M.G.L. Ch.71) which prohibits a member of the finance committee from attending contract negotiation strategy sessions as an observer, it would appear that the school committee in its discretion may bar such participants to avoid possible claims of bad faith negotiation, collusion or making open to the public what was supposed to take place in closed session. (We make no comment with respect to participation in actual negotiating sessions with a union.)

Under M.G.L. Ch.150E Sec.1, the school committee or its designated representative is the town's exclusive representative in the matter of school employees. The chairman of the board of selectmen, if there is no town manager or town administrator, participates and votes as a member of the town school committee. The finance committee does not play a role in the negotiations but does make recommendations on appropriations when budgets are submitted to town meeting in accordance with M.G.L. Ch.39 Sec.16 and M.G.L. Ch.41 Sec. 60. The Massachusetts Labor Relations Commission has even held that a finance committee is authorized to make recommendations in opposition to any negotiated bargaining agreement when an appropriation is sought, since the finance committee is not the employer under M.G.L. Ch.150E. *Town of Rockland and Local 1602*, 12 MLC 1740, 1744-5 (4/24/86); *Town of Wakefield and Wakefield Municipal, Administrative, Supervisory and Professional Employees Association*, 20MLC 1279, 1290 n.13 (11/30/93).

Of course, members of the finance committee can attend meetings of the school committee open to the general public. All meetings are open unless the school committee has entered into executive session for certain limited purposes. M.G.L. Ch.39 Sec.23B(3) permits an executive session to "discuss strategy with respect to collective bargaining ... if an open meeting may have a detrimental effect on the bargaining ..." Under the Open Meeting Law, then, the school committee decides who attends an executive session to discuss collective bargaining. A member of the finance committee, if present, could provide information on future funding for the school budget. It is important to note, however, that a school committee has the authority to execute binding collective bargaining agreements without a town meeting appropriation *provided* the school budget is sufficient to cover any extra amount (M.G.L. Ch.150E Sec.7(b); M.G.L. Ch.44 Sec.31). Furthermore, the school committee has authority to make transfers within its own budget pursuant to M.G.L. Ch.71 Sec.34.

In our view, any decision to bar members of the finance committee from attending closed bargaining strategy sessions is left to the judgment of the school committee.

Q: *Can a community provide tax incentives to retain businesses by assessing the real estate at a reduced value, e.g., 40 percent of full and fair cash value?*
A: No. There is an exemption, however, for new construction. In 1993 the legislature enacted M.G.L. Ch.40 Sec.59 and M.G.L. 59 Sec.5 Cl.51 to promote economic development. This local option Tax Increment Financing legislation (or TIF) exempts all or a portion of the increased value of a commercial or industrial parcel due to new development. A city or town can structure the TIF exemption to particular projects by adopting different exemption percentages for different fiscal years for specific parcels. Under this legislation, the subject parcel's base value, which is the assessed value prior to eligibility for a TIF exemption, is fully subject to tax. The base value is adjusted annually for inflation and the adjusted base value is subtracted from the parcel's total full and fair cash value each year. The difference is multiplied by the adopted exemption percentage to derive the parcel's annual TIF exemption. All non-exempted value is assessed at the commercial/industrial tax rate. Accordingly, there is no exemption program of the sort to assess existing commercial/industrial sites at reduced values. For more information on economic development exemptions, refer to page 1 of the August 1994 issue of *City & Town*.

Q: *What is the filing deadline for fiscal year 1997 classification as agricultural/horticultural land?*
A: M.G.L. Ch.61A Sec.6 states that the application is due "not later than October first of the year preceding each tax year for which such valuation, assessment and taxation are being sought. ..." By this statute, the FY97 deadline would be October 1, 1995. M.G.L. Ch.4 Sec.9 provides, however, that when any legal act must be performed on a date which falls on a Sunday or legal holiday, it may legally be performed on the next succeeding business day. Since October 1, 1995 was a Sunday, a FY97 application filed on Monday October 2, 1995 would be timely.

If fiscal year 1997 was a revaluation year, M.G.L. Ch.61A Sec.8 provides that the deadline is extended and an application for classification may be filed no later than 30 days after the actual tax bills are sent. ■

Compiled by James Crowley

Focus on Electronic Data

Part I: The Internet

Last May, the Division of Local Services (DLS) expanded its electronic communication capabilities with the introduction of a World Wide Web site on the Internet. The project initially was set up as part of a pilot program through MAGNet (Massachusetts Access to Government Network), the Commonwealth's Web site. Also found under MAGNet are the Department of Revenue's tax administration and Child Support Enforcement (CSE) sites, constructed separately by those areas of the Department of Revenue. As part of this departmental effort, DLS has dramatically expanded the amount and variety of information available for users interested in municipal finance. In Part I of this article, we briefly describe the historical background of the Internet and then explain how users can access DLS on the Internet and download documents and data. In addition, this article describes what types of information, data and publications are available electronically.

Electronic communication offers DLS staff, local officials and the general public a number of benefits. First and foremost, electronic access makes information available 24 hours a day, 7 days a week, without requiring direct assistance. Second, electronic transmission of data allows for the distribution of data in formats that can be readily used for other purposes at the local level. For example, data can be downloaded in a Lotus worksheet file format and then sorted and analyzed to suit a specific community's needs. Third, the electronic publications and data are available to local officials as soon as they have been released, with no lag time for printing or distribution. As a result, time sensitive information is now typically available several days before printed versions arrive in the mail.

What is the Internet?

As some local officials may already know, the Internet began in the 1950s as an experimental network of computers under the US Department of Defense. This experimental network allowed scientists and academic researchers to communicate with each other electronically. Eventually, a standard communications network protocol was developed so that all the computers in this network were speaking the same computer language. After the standard protocol was adopted in 1983, a number of other public and private networks came into existence. As a result, these public and private networks were interconnected so that any computer on any subnetwork would have access to all the other computers throughout the entire 'internet'work. The Internet subsequently has become the most widely used means of electronic communication for governments, businesses and individuals around the world.

How to Access DLS on the Internet

Internet access requires users to have a modem and an access service. Several large on-line service companies provide access through user subscriptions as do Internet-only and direct dial services. Once users are connected, they can use their Internet World Wide Web browser and type in the following address, or Uniform Resource Locator (URL), in all lower case: **http://www.magnet.state.ma.us/dor/dls** to access the DLS "home page." The home page is an overview document that provides the links to a series of DLS documents at that site. From there, users can point and click on the menu options they would like to view. Depending on how your Web browser is configured, users can display and/or download files using a free-of-charge viewer called Adobe Acrobat. This Acrobat file can be downloaded from the DLS home page. To assist local officials in maneuvering through the Internet and the DLS home page, *Figure 1* illustrates what local officials will see once they have accessed the DLS Web site.

DLS Internet Offerings

The following are some of the many Internet offerings available through the DLS home page. One of the most useful features of the DLS home page is the "What's New" section where users can access a list of recent additions and alterations to the DLS home page. This section allows visitors to view the most recent additions to the site and determine whether anything has been added since their last visit.

Local officials should also note that a number of DLS publications are now available through the Internet. These publications include: selected *Informational Guideline Releases (IGRs)*, *A Guide to Financial Management for Town Officials*, the *Municipal Calendar*, the *Motor Vehicle Excise Manual*, and issues of *City & Town* since July 1995. Each of the Focus articles in *City & Town* includes a downloadable version of the spreadsheet data for all the municipalities in Table 1. In addition, users can access individual *FY96 Cherry Sheet Program Descriptions*. Each file gives a detailed description of each Cherry Sheet program, including formulaic explanations and relevant statutory citations.

Besides publications, the DLS home page also provides access to the division's Computer-based Training (CBT) program entitled the Classification Workshop. This innovative program is

continued on page six ➡

Division of Local Services Home Page

Division of Local Services

Massachusetts Department
of Revenue

Mitchell Adams
Commissioner of Revenue

Harry M. Grossman
Acting Deputy Commissioner

P.O. Box 9655, Boston, MA 02114-9655
(617) 626-2300

Welcome to the DLS Home Page

The Division of Local Services is responsible for assisting Massachusetts' 351 cities and towns in their efforts to achieve equitable property taxation and efficient fiscal management. The DLS also monitors compliance with the Massachusetts General Laws regarding municipal finance and ensures that all regulations and guidelines are followed.

These resources are available from this site:

What's New: ***Recent additions you might want to check out***

Information from ***The Bureau of Local Assessment***
The Bureau of Local Assessment certifies that property assessments are assessed at "full and fair cash value" in each community on a triennial basis. BLA staff also train and assist local assessors and support the DOR-CAMA and Tax Administration software package.

Information from ***The Bureau of Accounts***
The Bureau of Accounts certifies municipal tax rates, provides training and advice in matters of municipal finance, and insures that communities practice sound financial management.

Information and software from ***The Municipal Data Management/Technical Assistance Bureau***
MDM/TAB provides communities with information on a wide range of topics, from demographic profiles to in-depth financial management analyses. Spreadsheet templates and other files including the Cherry Sheets are available for downloading from the Municipal Data Bank. ***At a Glance*** reports are available for each community.

DLS ***Publications***
The Division issues various publications including Informational Guideline Releases, Bulletins, and the monthly newsletter ***City & Town***, as well as ***A Guide to Financial Management for Town Officials*** and the ***Municipal Calendar***.

The DLS ***Telephone Directories***
Use our directories to find a particular staff member in one of our three locations. The directories also contain fax and computer dial-up information for each office!

Figure 1. The DLS Home Page on the World Wide Web presents visitors with a choice of links to its several bureaus, publications listing, telephone directory and municipal data.

On Line Access System

At A Glance Report — Screen 1

At A Glance Report for ABINGTON
created 2/29/96
Massachusetts Department of Revenue —
Division of Local Services

County:	PLYMOUTH
Kind of Community:	Rural Economic Center
School Structure	K to 12
Regional School Districts:	SOUTH SHORE
Form of Government:	Selectmen Executive Secretary Open Town Meeting
1994 Population	14,467
1994 Labor Force	7,902
1989 Per Capita Income1	6,379
Population Per Square Mile	1,451
1994 Avg Unemployment Rate	6.1
1994 EQV Per Capita	48,204

At A Glance Report — Screen 2

Tax Classification Value	FY96 Tax Rate	FY96 Tax Levy	FY96 Assessed
Residential	17.82	9,817,836	550,944,800
Open Space			
Commercial	17.82	1,276,080	71,609,400
Industrial	17.82	179,109	10,051,000
Personal Property	17.82	247,461	13,886,700
Total		11,520,486	646,491,900

FY96 Revenue Sources		% of Total
Tax Levy	11,520,486	49.9
State Aid	6,011,102	26.0
Local Receipts	3,107,420	13.5
Other Available	2,444,314	10.6
Total	23,083,322	

At A Glance Report — Screen 3

FY96 Proposition 2½ Levy Capacity

New Growth	412,695
Override	
Debt Exclusion	524,466
Levy Limit	11,812,519
Excess Capacity	292,033
Ceiling	16,162,298
Override Capacity	4,874,245

FY96 Cherry Sheet Estimated State Aid

Education Aid	4,528,780
General Government	1,480,859
Total Receipts	6,009,639
Total Assessments	44,433
Net State Aid	5,965,206

At A Glance Report — Screen 4

FY95 Schedule A — Actual Revenues and Expenditure

	General Fund	Special Revenue	Capital Projects
Revenues	18,510,514	3,265,371	214,657
Expenditures	19,053,290	2,644,951	145,000
Police	1,249,888		
Fire	1,136,829		
Education	10,390,684	884,501	
Public Works	1,603,247	1,493,388	145,000
All Other	4,672,642	267,062	

	Enterprise Fund	Trust Revenue	Total All Funds
Revenues	90,766	131,064	22,212,372
Expenditures	30,492	58,277	21,932,010
Police	1,249,888		
Fire	1,136,829		
Education	11,275,185		
Public Works	3,241,635		
All Other	30,492	58,277	5,028,473

Figure 2. The most popular On-line Access System Report is 'At a Glance' which contains various municipal data for each Massachusetts city and town.

Electronic Data
➡ *continued from page three*

designed to provide municipal officials with a computer-based reference manual of the principles and procedures of property tax classification. This course is designed for individual self-instruction and includes explanatory materials, interactive examples, a glossary of terms and self-testing.

Another important type of information available through the Internet is municipal finance data. The same Municipal Data Bank spreadsheets and on-screen reports that are described in "Part II: The On-line Access System" are also available on the Internet. These data files contain frequently requested information on municipalities such as Cherry Sheet aid and assessments, tax rates, tax levies, assessed values and revenue sources. The "At a Glance" report shown in *Figure 2* is one of the most popular items on the home page. This report provides the most current financial and socioeconomic data for each community and is updated every two months.

Also of interest to many local officials is the DLS telephone directory, which can be obtained through the DLS home page. This directory lists the phone numbers of DLS staff in Boston, Worcester and Springfield. Lastly, the home page contains links to other related Internet sites, such as MAGNet, DOR, Department of Education, local home pages, etc.

Electronic Mail

At the current time, DOR and DLS electronic mail to outside entities is rather limited. DOR is working on the development of security programs to protect its internal network. Once that project is complete electronic mail (email) to and from DLS will improve dramatically. In the meantime, local officials can send email to DLS through the Internet at the following address (the recipient's name) at INTERNET: 103146.1441@compuserve.com. For CompuServe members, the address would simply be 103146,1441. Files can be attached to these messages as appropriate. ■

Part II: The On-line Access System

Before the World Wide Web existed, many Massachusetts local officials were already a part of "cyberspace," through their use of the Division of Local Services (DLS) On-line Access System. This system was envisioned by DLS and implemented in 1989 to give local officials the ability to obtain municipal data files via modem. It provides easy and direct access to valuable data for personal computer users without access to the Internet and for anyone whose main goal is to view or download Massachusetts municipal data.

The on-line system's strength is its simplicity. The system uses a single stand-alone personal computer, two modems and bulletin board software. Users call directly into the system by modem using an ordinary telephone number. Once connected to the system, users can access the data for any of the 351 cities and towns in the Commonwealth in seconds. The Municipal Data Bank staff ensures that the data are as current as possible in both the On-line Access System and the Internet files. During its first few years of operation, the On-line Access was limited to Lotus spreadsheets containing municipal financial data available for downloading. These files continue to provide a wealth of information for all cities and towns. Files include topics such as revenue sources, property values, Proposition 2½ votes, average tax bills, state aid, spending, tax rates, excess levy capacity, population, income and trends in new growth.

In 1994, a new menu was added to allow individual community reports to be generated on-screen without downloading individual files. The "At a Glance" report in Figure 2, our most requested menu report, shows the municipal information generated in that report. Other standard menu reports include Cherry Sheets, Estimated Receipts and Charges and Municipal Revenue Growth Factors. The FY97 Cherry Sheet estimates will be placed on the on-line system and Internet as soon as they become available, as were the FY96 figures last year.

Getting access to the on-line system is easy. First time users must contact Burt Lewis, system manager, to obtain a password at (617) 626-2358. Once a password has been assigned, users can access the system via modem at (617) 626-2406 or 2407. Questions about the system and its data should be directed to the system manager. Night-owls take note, both the On-line Access System and the Internet are available 24 hours a day. ■

Written by Dave Davies and Roger Hatch

DLS UPDATE

DLS To Release New Publications

This spring the Division of Local Services (DLS) will issue two new reference publications for those interested in DLS guidelines and legal opinions on municipal tax and finance issues. Both publications were prepared by the legal staff of the Division's Property Tax Bureau.

In Our Opinion

The first publication, *In Our Opinion*, contains summaries of legal opinions issued primarily from 1992 through 1995. This comprehensive publication contains 725 entries. The summaries are arranged by topic into 40 chapters and are indexed by key words for each chapter. Examples of some chapter titles are: Abatement and Appeals (Property Tax); Accounting Policies and Procedures; Collection Procedures; Exemptions; Financial Management; Local Officials and Employees; Proposition 2½; and Town Meetings.

The entry for each opinion includes the opinion's Property Tax Bureau file number, date of issue, one or more "index keys," general description of the issue it addresses and summary of the opinion. Some entries may include summaries of other opinions or references to Informational Guideline Releases on the same issue. Where opinions appear in more than one chapter, the other chapters are also noted at the end of the entry. Within each chapter, the entries appear in chronological order by Property Tax Bureau file numbers. *See Figure 1.*

The index is also organized by the same subject matter topics as the chapters listed in the table of contents. Opinions are located in the index using the chapter headings and index keys for that chapter.

IGR (Informational Guideline Release) Index

Also available is *IGR Index*, which provides a comprehensive listing of all Informational Guideline Releases issued by the division since 1980. Each entry includes the IGR number, as well as its title and subject matter topics. Entries also include statutory and case citations, as well as comments on the current applicability of each IGR. The IGRs are indexed by topics, statutes and cases.

In Our Opinion and *IGR Index* will also be available through the World Wide Web at **http://www.magnet.state.ma.us/dor/dls** and in printed form. New IGRs and those that are still of relevance to today's issues are being scanned into the DLS home page in the Internet as reference documents. Municipal officials will receive the publications by mail and can purchase additional copies at the State House Bookstore for a nominal fee by calling (617) 727-2834. Printed updates to each publication will be available periodically along with a cumulative index. The DLS home page in the Web will contain more frequently updated versions of both publications. ■

Sample Entry

94-363 (4/27/94) — **File Number/Date of Issue**
Exemptions. — **Index Key(s)**
Public Properties.
Churches, Charitable Organizations and Institutions. — **Issues**
Any property owned by governmental entities and devoted to public purposes is exempt from taxation, including betterments and special assessments. However, churches, charitable organizations and other institutions that qualify for general property tax exemptions are not exempt from betterments or special assessments. **Also see 89-897 (11/30/89) (Property owned by a municipality is exempt from betterment and special assessments whether that land is located within its borders or in another municipality).** — **Summary**
Also found under **PUBLIC PROPERTY.** — **Related Opinions/IGRs**
Other Chapter(s)

Figure 1

Municipal Bulletin No. 31

The Department of Revenue's Division of Local Services is releasing Municpal Bulletin No. 31, *Laws Relating to Municipal Finance and Taxation.* The 600-plus-page publication will be delivered to local officials during the month of April. Last updated in 1993, the new publication is a compilation of reprinted materials from Massachusetts General Laws Annotated and Acts and Resolves of Massachusetts. Its contents have been selected because of their relevance to Massachusetts municipal officials. Individuals and businesses doing business with the Commonwealth's cities and towns will also find the book useful. Perhaps the most significant addition is the inclusion of statutes relating to Education Reform. Beginning in mid-April anyone desiring copies will be able to obtain them at the State House Bookstore (617) 727-2834. The cost of each Bulletin 31 will be $10.00 plus $4.00 for first class or $2.76 for third class mail. ■

Municipal Fiscal Calendar

May 1

Taxpayer: *Deadline for Payment of Semi-annual and Quarterly Tax Bill Without Interest*

Treasurer: *Deadline for Payment of 2nd Half of County Tax*

Accountant/Treasurer: *Notification of Amount of Debt Due in Next Fiscal Year*
As required by M.G.L. Ch. 44, Sec. 28, the Accountant or Treasurer must notify the Assessors of all debt due in the next fiscal year because the town is required to pay its debts, appropriated or not.

Since all debt service must be paid, any debt service not covered by town meeting appropriations is added to the "Other Local Expenditures" category, found on page 2 of the Tax Recapitulation Sheet. It is important that the Assessors have this information in order to avoid setting a tax rate lower than required and raising insufficient revenue to cover the municipality's expenditures.

May 15

Treasurer: *3rd Quarterly Reconciliation of Cash (due 45 days after end of quarter)*

DOR/BLA: *Commissioner Determines and Certifies Telephone and Telegraph Company Valuations*

Robert H. Marsh Joins the Private Sector

Robert H. Marsh, Deputy Commissioner of the Division of Local Services (DLS) recently left the division for a position in the private sector. In the interim, Revenue Commissioner Mitchell Adams named Harry M. Grossman, Esq., Acting Deputy Commissioner. Harry Grossman, Chief of the DLS Property Tax Bureau, has served the division since 1980. ■

Aid for Title 5 Improvements
➡ *continued from page one*

survey distributed by DEP in November 1995. Recipients of these funds must be able to comply with an established timeline which includes voting at town meeting and appropriating the necessary funds.

In March 1996, DLS distributed two Informational Guideline Releases (IGRs) which describe the need for town meeting or city council action before implementing these types of Title 5 aid programs at the local level. However, for more specific information regarding the application or distribution process for these programs please contact either DEP's Glenn Haas at (617) 292-5748 or EOCD's Tara Frier at (617) 727-7147. ■

City & Town

City & Town is published 11 times a year by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS World Wide Web site at **http://www.magnet.state.ma.us/dor/dls** or by writing to PO Box 9655, Boston, MA 02114-9655.

Marilyn H. Browne, Editor

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Volume 9, No. 5 May 1996

CITY & TOWN

Mitchell Adams, Commissioner
Harry M. Grossman, Acting Deputy Commissioner

A Publication of the Massachusetts Department of Revenue's Division of Local Services

Municipal Landfill Closings

Written by Kay M. Upham

In an era of increasing concern over the protection of public health, safety and the environment, a number of municipalities have been working with the state Department of Environmental Protection (DEP) to establish a schedule for the closure of unlined municipal landfills that pose potential threats to the public health. But for many communities, a required landfill closure can be quite problematic. Among the most pressing issues are: financing the capping of the landfill, finding an alternate method of disposal and the containment and treatment of a contaminated site. In this article, we look at several communities whose unlined landfills were determined to be a significant threat by DEP and are in the process of capping a landfill. Hopefully, their experiences will be helpful to other municipalities facing similar circumstances.

In 1993, the legislature gave DEP the statutory authority (M.G.L. Ch.111 Sec. 150A) to evaluate and rate landfills that pose potential environmental hazards to the public health and safety. As a result, the following year DEP released a list of 22 communities with landfills that were determined to pose a significant risk to the public health. Since then, these communities have signed consent order agreements with DEP and have begun the process of closing and capping the landfills.

While certain aspects of the landfill capping process are required by statute, each community has its own special circumstances and problems complying with the statutory requirements. One of the primary obstacles to capping unlined landfills is funding the design, construction and monitoring of the landfill cap. In some instances, communities have petitioned DEP to increase temporarily the allowable tonnage being added to the landfill in an effort to raise the funds necessary to cap the landfill. Barnstable used this strategy in conjunction with what Project Manager Mark Ells described as an "innovative cost-efficient design not typically used in Massachusetts." As a result, the town has raised a portion of the funds necessary for capping the landfill.

Lakeville is another good example of a community that petitioned DEP to increase temporarily the amount of commercial refuse being added to the landfill. By using this tactic, Lakeville successfully raised between $3 and $4 million before the landfill was closed in December 1995; this revenue is expected to fully finance the landfill cap. Southampton also generated some landfill capping funds through the acceptance of commercial refuse. By doing so, they have accumulated surplus savings to pay for over half of the projected cost of capping the landfill.

However, many communities do not have the option of temporarily increasing the amount of material going into the landfill since their landfills are close to their maximum capacity. In these cases, communities may try other strategies. Middleton and Barnstable have attempted overrides to raise the funds. Two communities, Lakeville and Middleton, have implemented user fees while a number of other communities are contemplating borrowing to finance their landfill caps.

Another problem with a required landfill closure and cap is finding an alternate method of disposal for residential refuse. In each community we contacted, comprehensive recycling programs were already in place in an effort to reduce the amount of residential waste. In many cases (Middleton, Chilmark, North Brookfield, Barnstable, and Lakeville to name a few), residential refuse is contracted to go to an incinerator. Southampton was the only community we spoke with that had a contract with another commercial landfill once their landfill was closed.

Yet another aspect municipalities must take into consideration is financing the transportation of refuse to an out-of-town incinerator or landfill. Lakeville and Middleton both purchased a refuse vehicle while North Brookfield contracted with a commercial hauler. Barnstable entered into an intermunicipal agreement with Yarmouth to transport trash by rail to an incinerator. Chilmark joined forces with other island communities and formed a special district that is responsible for transporting refuse and recyclable materials.

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FY96 Municipal Stabilization Aid for Snow and Ice Control

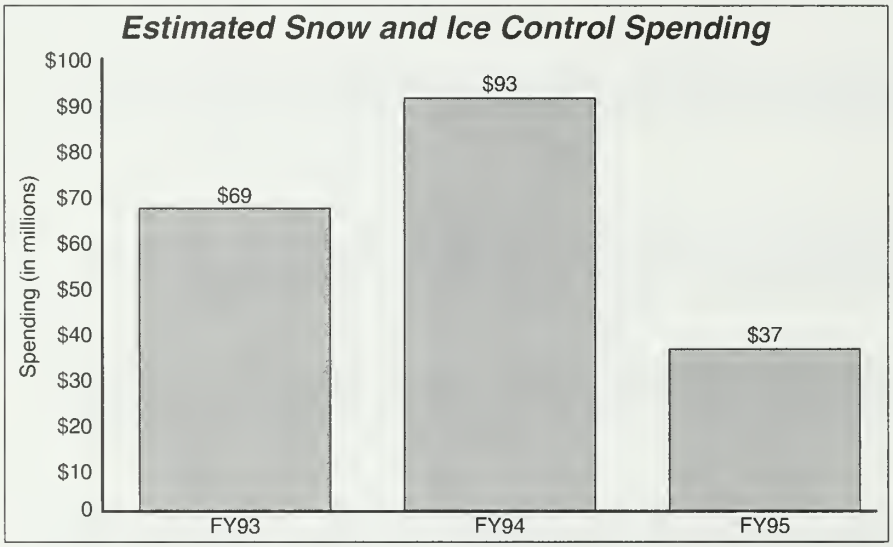
Municipality	Lottery $10.5M	Chapter 90 $10.5M	Total Aid	Municipality	Lottery $10.5M	Chapter 90 $10.5M	Total Aid	Municipality	Lottery $10.5M	Chapter 90 $10.5M	Total Aid
Abington	26,130	19,645	45,775	Chicopee	130,830	66,514	197,345	Hancock	490	5,689	6,179
Acton	19,287	34,374	53,661	Chilmark	58	3,705	3,762	Hanover	14,879	23,651	38,530
Acushnet	20,829	16,717	37,546	Clarksburg	4,491	3,982	8,473	Hanson	16,304	15,143	31,448
Adams	24,226	17,232	41,459	Clinton	29,412	18,348	47,762	Hardwick	4,561	21,088	25,648
Agawam	49,365	36,213	85,579	Cohasset	5,984	11,681	17,664	Harvard	27,898	19,845	47,743
Alford	173	4,295	4,467	Colrain	3,020	18,833	21,853	Harwich	6,160	33,740	39,900
Amesbury	25,484	22,727	48,212	Concord	14,133	37,489	51,623	Hatfield	4,275	13,627	17,900
Amherst	107,107	40,449	147,556	Conway	2,103	15,336	17,438	Haverhill	112,900	76,327	189,227
Andover	29,750	71,227	100,977	Cummington	1,050	11,536	12,586	Hawley	375	10,281	10,656
Arlington	61,335	45,276	106,611	Dalton	14,034	13,048	27,082	Heath	1,259	12,145	13,404
Ashburnham	10,855	18,277	29,132	Danvers	26,458	47,837	74,295	Hingham	19,070	37,502	56,572
Ashby	5,997	13,011	19,008	Dartmouth	34,962	58,431	93,393	Hinsdale	3,199	8,913	12,112
Ashfield	2,193	16,257	18,450	Dedham	29,247	35,171	64,420	Holbrook	20,692	13,933	34,625
Ashland	17,009	18,481	35,489	Deerfield	7,672	22,136	29,808	Holden	23,394	32,335	55,729
Athol	33,044	29,113	62,157	Dennis	7,790	37,682	45,472	Holland	2,567	8,815	11,382
Attleboro	79,368	70,298	149,666	Dighton	9,167	15,135	24,302	Holliston	17,640	24,640	42,280
Auburn	22,778	32,383	55,162	Douglas	10,712	18,918	29,630	Holyoke	116,508	61,189	177,698
Avon	4,972	10,812	15,783	Dover	2,990	13,413	16,402	Hopedale	10,896	8,838	19,734
Ayer	7,617	13,608	21,224	Dracut	53,169	38,648	91,816	Hopkinton	10,055	23,163	33,218
Barnstable	31,910	111,632	143,542	Dudley	21,015	22,687	43,702	Hubbardston	5,577	19,723	25,300
Barre	10,911	24,506	35,417	Dunstable	2,955	9,023	11,978	Hudson	28,544	30,512	59,056
Becket	997	13,726	14,723	Duxbury	14,336	25,367	39,703	Hull	16,208	16,017	32,225
Bedford	11,993	33,072	45,064	E Bridgewater	20,257	12,294	32,551	Huntington	4,717	9,502	14,218
Belchertown	20,759	30,536	51,295	E Brookfield	3,329	5,349	8,678	Ipswich	14,302	23,033	37,334
Bellingham	21,568	25,097	46,665	E Longmeadow	17,974	32,323	50,298	Kingston	12,886	20,571	33,458
Belmont	24,564	29,838	54,402	Eastham	2,147	12,667	14,814	Lakeville	10,408	17,133	27,541
Berkley	7,796	12,357	20,151	Easthampton	33,464	25,937	59,400	Lancaster	13,024	17,013	30,037
Berlin	2,980	10,624	13,604	Easton	32,731	31,757	64,488	Lanesborough	3,712	12,512	16,223
Bernardston	3,415	10,461	13,876	Edgartown	704	12,122	12,826	Lawrence	287,842	67,053	354,895
Beverly	57,606	53,648	111,254	Egremont	895	8,877	9,773	Lee	7,577	15,923	23,500
Billerica	62,049	55,947	117,997	Erving	1,026	4,659	5,685	Leicester	22,574	23,413	45,988
Blackstone	17,994	13,074	31,068	Essex	3,384	7,538	10,921	Lenox	5,146	16,561	21,706
Blandford	1,604	14,782	16,386	Everett	51,160	32,313	83,472	Leominster	76,681	61,381	138,063
Bolton	2,889	15,026	17,916	Fairhaven	27,158	27,278	54,436	Leverett	2,583	8,414	10,998
Boston	922,807	778,010	1,700,818	Fall River	271,632	114,344	385,976	Lexington	23,266	49,896	73,162
Bourne	16,941	32,438	49,379	Falmouth	19,781	63,627	83,408	Leyden	1,062	8,403	9,465
Boxborough	3,553	8,949	12,503	Fitchburg	104,153	64,978	169,131	Lincoln	7,254	15,203	22,457
Boxford	5,877	21,387	27,263	Florida	1,004	9,348	10,351	Littleton	7,942	18,531	26,473
Boylston	4,577	10,713	15,291	Foxborough	19,555	27,846	47,401	Longmeadow	18,617	27,794	46,413
Braintree	43,782	58,116	101,899	Framingham	97,906	97,467	195,373	Lowell	284,004	101,132	385,137
Brewster	6,378	15,513	21,891	Franklin	34,173	39,333	73,506	Ludlow	36,806	32,358	69,165
Bridgewater	46,082	33,196	79,279	Freetown	13,503	19,647	33,151	Lunenburg	15,183	23,408	38,592
Brimfield	5,515	15,766	21,280	Gardner	55,273	34,957	90,230	Lynn	212,598	83,890	296,488
Brockton	235,804	105,194	340,998	Gay Head	19	1,985	2,003	Lynnfield	11,183	19,567	30,749
Brookfield	7,248	9,548	16,796	Georgetown	9,573	13,974	23,547	Malden	118,940	53,381	172,321
Brookline	54,827	53,405	108,233	Gill	3,019	9,931	12,950	Manchester	3,420	8,464	11,883
Buckland	3,638	10,414	14,052	Gloucester	37,443	37,464	74,906	Mansfield	23,559	29,527	53,086
Burlington	24,386	48,559	72,945	Goshen	1,033	6,238	7,271	Marblehead	18,321	25,816	44,137
Cambridge	104,420	141,675	246,095	Gosnold	9	513	521	Marion	3,151	7,593	10,744
Canton	19,804	37,287	57,091	Grafton	23,362	25,478	48,841	Marlborough	45,758	53,497	99,255
Carlisle	3,513	12,857	16,370	Granby	10,568	15,446	26,014	Marshfield	28,853	31,837	60,691
Carver	22,931	20,189	43,120	Granville	2,291	15,419	17,709	Mashpee	5,031	31,250	36,281
Charlemont	2,160	10,418	12,578	Gr Barrington	9,917	23,720	33,637	Mattapoisett	5,256	11,796	17,052
Charlton	21,247	32,250	53,497	Greenfield	39,246	37,701	76,946	Maynard	17,018	15,894	32,913
Chatham	2,274	18,292	20,566	Groton	11,291	22,510	33,801	Medfield	12,036	22,300	34,336
Chelmsford	47,172	56,776	103,948	Groveland	9,040	10,489	19,528	Medford	97,114	55,284	152,398
Chelsea	72,126	28,101	100,227	Hadley	4,736	19,044	23,780	Medway	15,270	19,796	35,067
Cheshire	6,966	11,168	18,134	Halifax	13,380	12,420	25,800	Melrose	43,914	30,775	74,689
Chester	2,199	13,743	15,942	Hamilton	8,932	13,325	22,257	Mendon	6,083	11,667	17,750
Chesterfield	1,512	12,837	14,350	Hampden	7,641	13,496	21,137	Merrimac	10,470	9,546	20,016

Municipality	Lottery $10.5M	Chapter 90 $10.5M	Total Aid
Methuen	76,276	57,299	133,575
Middleborough	34,138	43,643	77,782
Middlefield	487	8,876	9,362
Middleton	4,708	13,481	18,189
Milford	42,455	39,233	81,688
Millbury	23,554	21,621	45,174
Millis	12,559	15,758	28,316
Millville	5,074	5,535	10,609
Milton	34,584	33,271	67,855
Monroe	77	3,823	3,900
Monson	15,724	27,015	42,739
Montague	15,928	27,689	43,617
Monterey	361	10,996	11,356
Montgomery	1,084	7,236	8,320
Mt Washington	49	4,078	4,126
Nahant	4,226	5,154	9,379
Nantucket	1,119	35,492	36,612
Natick	35,674	49,378	85,053
Needham	23,473	48,951	72,425
New Ashford	170	2,555	2,725
New Bedford	280,977	123,035	404,013
New Braintree	1,620	11,699	13,318
New Marlborough	594	19,787	20,382
New Salem	1,073	9,000	10,072
Newbury	7,007	14,311	21,318
Newburyport	21,753	26,660	48,413
Newton	73,307	125,538	198,846
Norfolk	15,345	18,110	33,455
N Adams	53,156	22,873	76,029
N Andover	29,563	42,055	71,617
N Attleborough	43,487	38,374	81,862
N Brookfield	10,555	17,981	28,536
N Reading	14,871	21,875	36,746
Northampton	50,576	55,699	106,275
Northborough	15,319	24,349	39,668
Northbridge	29,960	20,456	50,416
Northfield	5,045	16,643	21,688
Norton	27,528	25,503	53,031
Norwell	9,153	23,490	32,643
Norwood	36,563	49,092	85,655
Oak Bluffs	1,077	9,590	10,667
Oakham	2,582	10,491	13,073
Orange	20,888	22,913	43,801
Orleans	2,624	16,345	18,969
Otis	432	10,176	10,608
Oxford	29,179	26,638	55,817
Palmer	24,031	28,790	52,821
Paxton	6,418	10,180	16,597
Peabody	70,077	50,135	120,212
Pelham	2,231	5,544	7,773
Pembroke	22,967	20,145	43,113
Pepperell	19,407	21,532	40,939
Peru	1,652	7,789	9,440
Petersham	1,325	14,731	16,056
Phillipston	2,331	10,824	13,155
Pittsfield	98,247	78,220	176,468
Plainfield	582	11,133	11,714
Plainville	10,604	13,437	24,041
Plymouth	61,128	68,492	129,621
Plympton	3,450	8,674	12,124
Princeton	4,443	19,215	23,658
Provincetown	1,972	6,627	8,598
Quincy	142,274	102,909	245,183
Randolph	55,615	38,944	94,559
Raynham	14,616	21,284	35,901
Reading	30,472	30,650	61,123
Rehoboth	12,123	30,568	42,692
Revere	90,180	40,398	130,577
Richmond	1,508	9,729	11,237
Rochester	5,219	14,698	19,917
Rockland	29,874	22,161	52,035
Rockport	7,389	11,375	18,764
Rowe	90	8,357	8,446
Rowley	6,720	11,729	18,449
Royalston	2,039	16,416	18,455
Russell	3,181	6,164	9,345
Rutland	10,134	17,014	27,149
Salem	59,114	42,173	101,287
Salisbury	8,264	11,450	19,714
Sandisfield	369	18,928	19,297
Sandwich	17,129	29,714	46,843
Saugus	34,547	33,753	68,301
Savoy	1,251	11,481	12,731
Scituate	18,381	30,345	48,726
Seekonk	14,893	30,089	44,983
Sharon	19,343	31,658	51,000
Sheffield	2,921	20,870	23,791
Shelburne	3,049	12,719	15,768
Sherborn	2,839	13,113	15,952
Shirley	14,659	13,443	28,102
Shrewsbury	32,715	42,555	75,272
Shutesbury	2,350	7,769	10,119
Somerset	19,695	27,972	47,667
Somerville	163,007	60,277	223,283
South Hadley	32,468	26,524	58,992
Southampton	7,605	16,774	24,379
Southborough	5,892	19,487	25,379
Southbridge	43,110	27,565	70,674
Southwick	13,914	18,368	32,282
Spencer	26,451	28,050	54,501
Springfield	444,809	199,758	644,568
Sterling	9,607	22,905	32,512
Stockbridge	1,371	11,434	12,805
Stoneham	32,739	27,551	60,291
Stoughton	47,086	41,485	88,572
Stow	6,290	13,220	19,509
Sturbridge	11,764	23,263	35,026
Sudbury	12,427	33,923	46,350
Sunderland	6,352	10,219	16,572
Sutton	10,951	23,620	34,570
Swampscott	15,362	14,823	30,185
Swansea	24,000	30,713	54,713
Taunton	111,294	70,863	182,157
Templeton	16,422	18,803	35,226
Tewksbury	42,175	47,036	89,211
Tisbury	1,277	6,547	7,824
Tolland	78	9,263	9,339
Topsfield	6,069	14,804	20,873
Townsend	17,735	23,133	40,869
Truro	381	9,677	10,057
Tyngsborough	15,050	18,095	33,146
Tyringham	143	5,916	6,059
Upton	6,398	15,649	22,047
Uxbridge	20,643	24,905	45,549
Wakefield	34,765	36,201	70,966
Wales	3,398	6,110	9,507
Walpole	25,182	37,410	62,592
Waltham	78,307	91,074	169,382
Ware	21,867	24,586	46,454
Wareham	28,670	36,571	65,240
Warren	9,738	17,286	27,023
Warwick	1,183	13,139	14,321
Washington	883	9,880	10,763
Watertown	42,839	40,797	83,637
Wayland	10,059	27,689	37,748
Webster	33,422	25,215	58,638
Wellesley	19,492	47,461	66,953
Wellfleet	869	13,969	14,838
Wendell	1,778	11,290	13,068
Wenham	5,004	7,789	12,793
W Boylston	9,457	15,230	24,687
W Bridgewater	7,487	18,352	25,839
W Brookfield	6,079	13,250	19,329
W Newbury	4,059	11,152	15,211
W Springfield	42,739	46,748	89,487
W Stockbridge	1,327	8,938	10,265
W Tisbury	631	4,031	4,661
Westborough	14,486	39,232	53,718
Westfield	78,422	63,304	141,726
Westford	20,665	38,485	59,150
Westhampton	2,052	10,776	12,828
Westminster	9,030	22,757	31,786
Weston	5,671	25,039	30,710
Westport	15,756	35,010	50,766
Westwood	10,861	28,802	39,663
Weymouth	98,334	62,701	161,034
Whately	1,640	7,809	9,449
Whitman	29,613	18,123	47,736
Wilbraham	16,394	26,932	43,328
Williamsburg	4,055	10,808	14,863
Williamstown	11,842	17,573	29,415
Wilmington	20,170	40,400	60,569
Winchendon	22,373	25,241	47,614
Winchester	18,484	29,028	47,513
Windsor	1,070	15,448	16,518
Winthrop	34,255	16,921	51,176
Woburn	43,168	65,094	108,263
Worcester	416,312	242,189	658,502
Worthington	1,687	13,747	15,434
Wrentham	14,174	19,396	33,571
Yarmouth	18,008	48,211	66,219
Total	10,500,001	10,499,993	21,000,000

Table 1

FY96 Stabilization Aid for Snow and Ice Control
➡ *continued from page three*

Figure 2



Trends in Snowfall and Spending

Snowfall statistics for various reporting stations across Massachusetts show that FY96 was a record breaking winter for many communities. For this article, our source of snowfall data was the Office of Water Resources in the Department of Environmental Management (DEM). This office collects precipitation data from approximately 60 reporting stations throughout the state. The available snowfall data for FY96 (Dec. 1, 1995–Mar. 31, 1996) indicates that for most reporting stations, except for a few on the Cape, the snowfall in FY96 exceeded the total snowfall reported in FY94. Note, however, that this data does not include the snowfall that occurred in early April. Figure 1 shows FY94 and FY96 snowfall totals for selected stations.

From a local budget perspective, more snowfall generally means higher snow and ice control expenditures. Using both the Schedule A data on snow and ice control expenditures and the data submitted by communities to DLS in April, we reviewed how much communities have spent over the past three years on snow and ice control expenditures. A preliminary analysis of the data shows that snow and ice control spending in FY93 totaled an estimated $69 million. In FY94, the heavy snowfall caused snow and ice control spending to increase to approximately $93 million. This trend reversed the following year when snow and ice control spending is estimated to have decreased to $37 million. At this point, the total costs of cleaning up after this year's numerous snowstorms are still unknown. However, since snowfall accumulation for most cities and towns in the winter of FY96 was greater than the snowfall accumulation in FY94 it is likely that snow and ice control spending will also be greater. In Figure 2 we show the estimated snow and ice control spending for FY93-FY95. ■

Written by Kay M. Upham

Article contributors include: Roger Hatch (DLS), Peter Phippen (Office of Water Resources at DEM) and Diane Rann (DOR Publishing Services).

Municipal Landfill Closings
➡ *continued from page one*

While the financing of a landfill cap has challenged a number of communities' local budgets, other municipalities have had to mitigate unique environmental hazards. Buckland faced a site specific engineering challenge because their landfill was in an old gravel pit. Rather than proceed with a standard close and cap procedure, they have petitioned DEP for permission to do a two-year reclamation project. Buckland's proposed plan is to empty the landfill, sort out all recyclable materials and the daily gravel cover, and shred and compress the remaining garbage before putting it back into a lined landfill at that site. Their plan is to finance the reclamation process primarily through tipping fees and host community fees. As Gordon Russ of the Board of Selectman put it, "our goal is to mitigate and eliminate the environmental threat of an unlined landfill without overburdening taxpayers."

Clearly, the capping of unlined landfills can be challenging to local governments from both a financial and environmental standpoint. However, capping unlined landfills is an important component of the state's environmental plan. As was set forth in the 1990 Massachusetts Solid Waste Plan, the state goal is to direct 50 percent of the waste stream to incineration, 46 percent to recycling and only 4 percent to landfills by the year 2000. While the state as a whole has not yet achieved this goal, individual community efforts such as those outlined in this article make this goal achievable in the future.

Local officials should note that M.G.L. Ch. 44 Sec. 28C(f) authorizes localities to implement user fees and other charges and establish a special revenue fund to reserve these funds for a landfill cap. For more information regarding the cap and closure of municipal landfills, contact DEP's Richard Gioiosa at (617) 292-5780. ■

DLS UPDATE

The Corporations Book & 1996 Supplement

Every five years, the Department of Revenue's Division of Local Services (DLS) compiles and publishes a complete list of for-profit corporations that do business in Massachusetts. This publication, *Massachusetts Domestic and Foreign Corporations Subject to an Excise* is commonly known as the corporations book. The corporations book is supplemented annually and can provide useful information to cities and towns about the taxable status of for-profit businesses located within a given community.

In April, DLS released the *Massachusetts Domestic and Foreign Corporations Subject to an Excise — 1996 Supplement*. This article introduces readers to the corporations book and its annual supplements, explains how different businesses are taxed differently at the local level, and discusses how to navigate the publications.

The latest complete edition of the corporations book was issued in 1993. The book lists, in alphabetical order, the estimated 175,000 corporations that conduct for-profit business in the Commonwealth. Companies whose names begin with a number are listed at the end of the alphabetical listing. Insurance companies are also included, but are listed separately under their own heading because they are taxed differently from other corporations.

Supplements to the corporations book are published annually in April. In general, each supplement is divided into four sections. (The 1996 supplement required only the first three sections.) The first section lists corporations that have been created during the supplement year; the second section details which corporations listed in the latest corporations book dissolved or withdrew from business during the year; the third section includes both annual additions to, and deletions from, the book's insurance company listings; and the final section contains any corrections to the corporations book made during the supplement year. In all, there are an average of 14,000 businesses listed in any annual supplement.

What is Taxable?

All corporations that own property in Massachusetts are subject to taxation by the local assessors upon their real estate, poles, underground conduits, wires and pipes. All such corporations are also subject to Motor Vehicle Excise. For corporations that have been classified by the Commissioner of Revenue as "manufacturing corporations," no other personal property is subject to personal property taxation. Utility corporations, banks and in-state insurance companies are also subject to local taxation on machinery that they use in manufacturing, as well as for machinery used to supply or distribute water. They are exempt from taxation on personal property that is not machinery, as well as on machinery used for purposes other than manufacture or water supply and distribution.

All other incorporated businesses are subject to additional taxation by the assessors on "machinery used in the conduct of business." This term does not include stock in trade (machinery that a corporation is in the business of selling or leasing), or any personal property used in purchasing, selling, accounting or administrative functions. Such business corporations are also exempt from tax on machinery used directly in laundering, dry cleaning, refrigeration of goods or the air conditioning of any premises.

Reading the Entries

Each entry in both the corporations book and its supplements shows the name and primary location of a company, and also indicates whether the business has been classified as a manufacturing corporation. The "location" listing is based on corporations' own reporting to DOR, and identifies the community in which the company is headquartered. However, businesses may own taxable property in one or more Massachusetts communities that does not appear in either publication.

"Domestic" corporations are headquartered in the Commonwealth. "Foreign" corporations, like foreign insurance companies, are organized outside of Massachusetts, but do business in the state. The "home" states of all foreign corporations are identified by listing the state abbreviation (or "FC" for any other country) after the corporation name.

Some corporations in the book show neither a Massachusetts nor an out-of-state location, but are instead left blank. This occurs when the business tax reporting office is located in Massachusetts, but the state of incorporation could not be identified or confirmed by the time the book went to press.

Assessors and other municipal officials can make good use of the corporations book and supplements to confirm that they are assessing all possible taxes from businesses located within their communities, as well as to track the number and types of businesses located in a given city or town. These books are sent free of charge to every board of assessors in the Commonwealth, as well as to certain state officials and the State Library. Additional copies of the corporations book ($20) and annual supplement ($4) can be purchased from the State House Book Store, (617) 727-2384. ■

Municipal Fiscal Calendar

June 1
Clerk: *Certification of Appropriations.* This is done after town meeting so the Accountant may set up accounts for each department in the municipality.

Assessors: *Determine Valuation of Other Municipal or District Land.* In certain communities where land is owned by another community or district, the value of the land is determined by the Assessors in the year following a revaluation year, for in-lieu-of-tax payments.

DOR/BLA: *Mail Proposed EQVs* (even numbered years only)

June 10
DOR/BLA: *Public Hearing on Proposed EQVs* (even numbered years only)

June 15
DOR: *Commissioner Determines and Certifies Pipeline Valuations*

Assessors: *Deadline for Appealing Commissioner's Telephone & Telegraph Valuations*

Assessors: *Make Preliminary Quarterly Tax Commitment.* The preliminary tax commitment must be based on the prior year's net tax on the property and may not exceed, with limited exceptions, 50% of that amount. This should be done early enough for the preliminary quarterly bills to be mailed by July 1.

June 20
Assessors: *Final Date to Make Omitted or Revised Assessments.* As required by M.G.L. Ch. 59, Sections 75 and 76, if a property is inadvertently excluded or mistakenly under-assessed on the warrant for property taxes, it is the Assessors' role to correct the mistake and assess the property correctly. Such an assessment may not be made later than June 20 of the taxable year or 90 days after the date the tax bills are mailed, whichever is later.

June 30
State Treasurer: *Notification of Quarterly Local Aid Payments Before June 30*

Assessors: *Overlay Surplus Closes to Surplus Revenue.* Each year, any balance in the overlay reserve accounts in excess of the remaining amount of the warrant to be collected or abated in that year, is certified by the Assessors. The transfer from overlay reserves to the overlay surplus is done on the Assessors' initiative or within 10 days of a written request by the chief executive officer. Once in overlay surplus, these funds may be appropriated for any lawful purpose. Any balance in the overlay surplus at the end of the fiscal year shall be closed to surplus revenue and, eventually, free cash.

Assessors: *Physical Inventory of all Parcels for Communities that Accepted M.G.L. Ch. 59, Sec. 2A(a)*

Assessors: *Submit Annual Report of Omitted or Revised Assessments*

Assessors: *Last Day to Submit Requests for Current Fiscal Year Reimbursements of Exemptions Granted Under The Various Clauses Of Ch. 59, Sec. 5.* If an exemption is granted to a residential property owner, the property tax is lowered, and the town collects fewer tax revenues than anticipated. These exemptions are partially reimbursed by the state as indicated under "Payment for Loss of Taxes," section B of the Cherry Sheet.

It is the responsibility of the Assessors to submit all exemptions to DOR so that the town may be reimbursed for statutory exemptions. If the Assessors fail to submit a request, the town's loss of tax revenues will not be offset by exemption reimbursements from the state. These reimbursements may not be filed retroactively for any year. ■

Data Bank Highlight

Calculating the MRGF

A key factor in determining local spending requirements under the Education Reform Act of 1993 is the "Municipal Revenue Growth Factor (MRGF)." The MRGF attempts to measure how much discretionary local revenue will be available in the upcoming year, so that it can be shared with public schools. The Division of Local Services is required by statute to calculate the factor. The MRGF report, now available for FY97 from the Data Bank, provides a detailed description of how the factor is calculated for each community. ■

To obtain Municipal Data Bank information contact: John Sanguinet at (617) 626-2355 for printed reports and data files; Burt Lewis at (617) 626-2358 for the On-Line Access System; or use ***http://www.magnet.state.ma.us/dor/dls*** *on the World Wide Web.*

City & Town

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Marilyn H. Browne, Editor

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CITY & TOWN

Mitchell Adams, Commissioner
Harry M. Grossman, Acting Deputy Commissioner

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DOCUMENTS COLLECTION

Retroactive Wage Increases and Collective Bargaining Agreements

Written by Gary Blau

Municipalities often find that the negotiation of municipal collective bargaining agreements is a challenging process. In many cases, local budgets can only accommodate limited wage increases which often leads to extended negotiating periods. As a result, collective bargaining agreements frequently expire without the execution of successor agreements. Once a new collective bargaining agreement is executed at a later date, the negotiating parties often assume the wages are increased retroactively as part of the settlement. There are, however, statutory limitations on how far back a municipality may grant wage increases. In this article, we discuss restrictions on the time periods for retroactive wage increases, the local approval process required for these wage increases and allowable wage increases in the form of one-time bonuses.

Under M.G.L. Ch.44 Sec.68 retroactive wage increases may be authorized only for a period dating back to the beginning of the fiscal year prior to the fiscal year in which the vote to authorize the increase was made. Police and fire arbitration awards of the arbitration panel of the joint labor management committee are the only exception to this limitation. Under St. 1973, Ch.1078, Sec.4A as amended by St. 1987, Ch.589, Sec.1, these police and fire arbitration awards may provide increases back to the date of the preceding collective bargaining agreement.

Literally, M.G.L. Ch.44 Sec.68 seems to authorize retroactive wage increases to the beginning of the fiscal year in which the vote to increase is made. However, the Division of Local Services has relied on a previous version of the restriction contained in M.G.L. Ch.41 Sec.108 to interpret Ch.44 Sec.68 more broadly. The repealed section was worded more specifically and clearly limited the retroactive increase to the beginning of the fiscal year in which the vote was taken. The legislature changed the language of the provision as well as the chapter and section of the general laws, which implies a different meaning of the provision.

This article is the third in a series developed by DLS on municipal collective bargaining issues.

However, no reading of the law could extend the authority to award retroactive increases past the beginning of the previous fiscal year. M.G.L. Ch.150E Sec.7(d) contains a list of statutes which may be superseded by a collective bargaining agreement, but Ch.44 Sec.68 is not one. The existence of the police and fire arbitration exception in St. 1973, Ch.1078, Sec.4A is further indication that a collective bargaining agreement cannot in and of itself authorize a retroactive agreement beyond the period allowed in Ch.44 Sec.68.

Under our interpretation of the law, a vote to fund a collective bargaining agreement may at most make a retroactive increase back anywhere from one to two years prior to the date of the vote. For example, a vote which occurs on July 1, 1996 may authorize a retroactive increase only to July 1, 1995, a one-year increase. However, a vote on June 30, 1996 may make a retroactive increase back to July 1, 1994, a two-year retroactive increase.

Collectively bargained retroactive pay increases for non-school employees must be approved by the municipal legislative (appropriating) body, as part of the funding procedure set forth in M.G.L. Ch.150E Sec.7(b). As such, a town meeting or city council simple majority vote is required for approval. Under these circumstances, this type of vote is not to authorize payment of an unpaid bill from a prior year under M.G.L. Ch.44, Sec.64, but is a vote to provide a negotiated current year benefit calculated using prior year's service. With respect to school employee collective bargaining agreements, M.G.L. Ch.150E Sec.7 does not require a specific appropriation for these agreements, provided the unencumbered total appropriation is sufficient to cover the negotiated cost. As a result, we believe such collectively bargained

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LEGAL

in Our Opinion

Q: *Can a husband and wife who own and occupy the same domicile as tenants by the entirety each receive a Clause 37 blindness exemption?*
A: No. The Supreme Judicial Court ruled in *DeCenzo v. Board of Assessors of Framingham*, 372 Mass. 523 (1977) that where two or more persons own and occupy the same domicile, if there is qualification under different exemption clauses, each owner would be entitled to his or her exemption. In *DeCenzo*, the husband received a Clause 22 veterans exemption and the wife received a Clause 37 blindness exemption. The Court previously held in *Sylvester v. Assessors of Braintree*, 344 Mass. 263 (1962) that if two or more persons qualify for the same exemption on the same property, only one of the co-owners may receive the exemption unless the legislature expressly provided for the double exemption as in the case of a qualified veteran who was the spouse of another qualified veteran as set forth in M.G.L. Ch.59 Sec.5 Cl.22. Therefore, where there is multiple ownership (tenancy in common, joint tenancy or tenancy by the entirety), only one blindness exemption can be granted in conjunction with this parcel. The assessors should grant a full $437.50 Clause 37 exemption to one of the co-owners provided that the applicant's valuation amount of ownership is equal to or greater than the valuation amount of the exemption, i.e., $5,000.

Q: *Does a collector or treasurer have the authority to enter into agreements with taxpayers to abate interest or reduce the statutory rate of interest?*
A: No. As a general rule, local officials have no authority to abate interest or reduce the statutory rate of interest. Under the provisions of M.G.L. Ch.60 Sec.15 a collector may waive interest, charges and fees only "when the total amount thereof is five dollars or less." Accordingly, once a demand has been issued at a fee of five dollars, the collector is not authorized to waive any amounts. Any municipal lien certificates issued by the collector must show all amounts outstanding as of the date of issuance. M.G.L. Ch.60 Sec.62 also provides that a treasurer can agree to delay foreclosing on a tax title property for up to a year if the taxpayer is making installment payments "each of which except the last, shall be in amount of not less than twenty-five per cent of the sum for which the land was originally sold, together with the full amount of interest ... and all charges lawfully added ... ."

There is no statutory provision for a collector or treasurer to reduce the rate of interest imposed under M.G.L. Ch.59 Sec.57 or M.G.L. Ch.60 Sec.62. The assessors may abate taxes based on pending abatement applications or an Appellate Tax Board case. A board of assessors may also abate taxes or interest with prior authorization from the Commissioner pursuant to M.G.L. Ch.58 Sec.8.

A taxpayer, however, would owe interest on any unabated taxes. Unpaid interest is added to and collected as part of the tax under M.G.L. Ch.60 Sec.15. Accrued interest is secured by a tax lien, and the treasurer can enforce collection by seeking foreclosure of the tax title.

Q: *A community recently implemented solid waste disposal charges. What options are available to collect outstanding trash fees?*
A: M.G.L. Ch.44 Sec.28C(f), if adopted by the community, permits unpaid solid waste disposal fees to be added to the real estate tax bill for purposes of collection in the same manner as unpaid water and sewer charges as set forth in M.G.L. Ch.40 Sec.42C and M.G.L. Ch.83 Sec.16C respectively. If these charges added to the real estate tax bill remain unpaid, the collector can make a tax taking which ultimately could lead to Land Court foreclosure unless all outstanding amounts are paid. Alternatively, the city or town could seek to collect by instituting a civil action against the delinquent ratepayer in small claims court. ■

Retroactive Wage Increases

➡ *continued from page one*

retroactive pay increases for school employees may be made by vote of the school committee.

Since collective bargaining agreements cannot authorize retroactive increases back beyond the previous fiscal year, an allowable alternative is a contract that provides an equivalent one-time bonus for employees funded in the year of execution. However, under Ch.44 Sec.68 this type of bonus cannot be paid to prior employees who may have been employed in fiscal years after a contract had expired, but were not employed during the immediately previous or fiscal year in which the agreement was executed.

Any questions about these or other collective bargaining finance issues should be directed to DLS's Gary Blau at (617) 626-2315. ■

Note: *Also see: "Massachusetts Municipal Collective Bargaining Issue." City & Town, Vol. 8, No. 12, December 1995:1, and "Minimum Staffing and Job Security Provisions in Collective Bargaining Agreements." City & Town, Vol. 9, No. 3, March 1996.1.*

Focus on Municipal Finance

FY96 Local Revenue Components

This month, as both state and local governments put the finishing touches on their FY97 budgets, *City & Town* is focusing on a fundamental part of the budget process: an analysis of the sources of municipal revenues. In Massachusetts, the municipal revenues that support local spending on education, public safety and other public services are obtained through one of four types of revenue sources. These revenue components are the property tax levy, state aid, local receipts and other sources. In this article, we begin by describing what is included in each of the four major local revenue categories. Then, we look at recent changes in the revenue components. We also provide a historical perspective by examining the trends in local revenue sources that have occurred since the implementation of Proposition 2½.

Property Tax Levy

The property tax levy is the revenue a city or town raises through real and personal property taxes. In 1981, Massachusetts voters approved Proposition 2½, which limited a community's tax levy to no more than 2½ percent of the full and fair cash value of the taxable property in the community (referred to as the levy ceiling). Proposition 2½ also limits the annual property tax increases to 2½ percent of the previous year's limit (commonly known as the levy limit). A municipality can permanently increase its levy limit through the addition of certified new growth to the community's property tax base or successful override referenda. Municipalities can also choose to increase their levy limit temporarily through a successful debt or capital outlay expenditure exclusion referenda.

State Aid

The state aid portion of local revenues is aid allocated by the state directly to cities and towns; this aid is distributed through the Cherry Sheet programs. Cherry Sheet aid is made up of distributions, reimbursements and offset items. Distributions provide funds to each municipality according to various formulas. Reimbursements provide funds to reimburse cities and towns for all or part of the costs incurred during a prior period for certain programs or services. Offset items are amounts that constitute categorical aid, i.e., funds that must be spent for specific municipal programs.

Local Receipts

Local receipts are just that — revenue that is generated at the local level through a variety of different sources. Some of the most common local receipts are motor vehicle excise receipts; fines, licenses, and permits; charges for water, sewer and garbage services; departmental revenues; and investment income. Depending on the type, local receipts are either paid into the community's general fund or reserved for a specific departmental use.

Other Revenues

Other revenues includes all other revenues that do not fall into one of the other three categories. Among the more common types of revenues in this category are: free cash, stabilization funds, overlay surplus, trust funds and other reserves.

Findings

Over the past 15 years, total local revenues have increased but there has been some shifting in reliance on the different revenue components. With the implementation of Proposition 2½ in FY81, municipalities were restricted in the total amount of revenues they

continued on page six ➡

Figure 1

Local Revenue Components, FY81–FY96
State Totals, Massachusetts Cities and Towns

	Property Tax Levy	Pct of Total	State Aid	Pct of Total	Local Receipts	Pct of Total	All Other	Pct of Total	Total Revenues
FY81	3,346,827,403	58.9	1,143,488,228	20.1	785,456,205	13.8	405,840,027	7.1	5,681,611,862
FY82	3,035,539,705	54.5	1,386,565,427	24.9	717,990,289	12.9	434,291,415	7.8	5,574,386,836
FY83	2,959,071,151	51.0	1,564,872,670	26.9	797,903,902	13.7	485,301,314	8.4	5,807,149,037
FY84	2,994,902,334	49.8	1,672,868,509	27.8	875,163,471	14.6	468,819,084	7.8	6,011,753,398
FY85	3,126,007,886	48.4	1,868,191,161	28.9	1,010,045,960	15.6	452,034,123	7.0	6,456,279,130
FY86	3,309,379,108	47.6	2,028,539,402	29.2	1,098,291,807	15.8	513,956,419	7.4	6,950,166,736
FY87	3,536,290,776	46.2	2,380,796,816	31.1	1,234,186,851	16.1	507,524,161	6.6	7,658,798,604
FY88	3,804,782,026	46.0	2,582,268,195	31.2	1,357,345,020	16.4	524,420,147	6.3	8,268,815,388
FY89	4,122,104,932	46.2	2,693,778,428	30.2	1,551,799,001	17.4	562,753,952	6.3	8,930,436,313
FY90	4,464,634,291	47.8	2,464,643,603	26.4	1,832,061,154	19.6	577,706,585	6.2	9,339,045,633
FY91	4,775,254,916	49.7	2,342,154,458	24.4	1,917,673,486	20.0	568,675,283	5.9	9,603,758,143
FY92	5,017,705,745	52.4	2,057,507,189	21.5	2,045,127,785	21.3	464,175,959	4.8	9,584,516,678
FY93	5,249,675,623	52.9	2,191,009,153	22.1	2,035,899,378	20.5	452,635,275	4.6	9,929,219,429
FY94	5,464,414,052	52.6	2,349,182,814	22.6	2,074,559,533	20.0	505,777,669	4.9	10,393,934,068
FY95	5,701,066,408	52.1	2,551,580,915	23.3	2,193,878,042	20.1	489,846,880	4.5	10,936,372,223
FY96 *	5,919,239,677	51.4	2,794,675,858	24.3	2,303,539,257	20.0	551,927,473	4.8	11,521,699,110

Notes: * *346 communities have finalized their FY96 data; for the remaining 5, FY96 is estimated.*
State aid does not reflect aid to regional school districts.
Source: Tax Rate Recapitulation Sheets. Figures are budgeted revenues, final actual revenues will differ slightly

FY96 Local Revenue Components (in Millions)

Municipality	Tax Levy	Pct Of Total	State Aid	Pct Of Total	Local Receipts	All Other	Total Budget
Abington	11.520	49.9%	6.011	26.0%	3.107	2.444	23.083
Acton	27.441	75.4%	2.231	6.1%	4.713	1.994	36.379
Acushnet	5.615	42.6%	4.376	33.2%	2.134	1.066	13.191
Adams	5.241	55.3%	1.540	16.2%	0.951	1.753	9.484
Agawam	22.328	55.0%	10.296	25.4%	7.213	0.745	40.582
Alford	0.609	85.5%	0.024	3.3%	0.060	0.020	0.712
Amesbury	14.050	51.2%	7.820	28.5%	4.740	0.846	27.456
Amherst	17.705	43.6%	9.513	23.4%	10.679	2.723	40.621
Andover	50.284	73.0%	4.714	6.8%	13.081	0.827	68.906
Arlington	46.587	64.4%	12.695	17.6%	12.903	0.107	72.291
Ashburnham							
Ashby	2.148	78.3%	0.309	11.3%	0.230	0.058	2.745
Ashfield	1.480	72.4%	0.184	9.0%	0.212	0.167	2.043
Ashland	14.363	65.2%	2.267	10.3%	4.348	1.049	22.027
Athol	4.303	50.0%	1.531	17.8%	2.002	0.764	8.600
Attleboro	25.660	40.3%	21.910	34.4%	14.193	1.911	63.673
Auburn	13.237	60.4%	4.187	19.1%	3.433	1.061	21.918
Avon	6.398	72.3%	1.208	13.6%	0.900	0.349	8.855
Ayer							
Barnstable	53.269	64.0%	5.914	7.1%	19.333	4.743	83.259
Barre	2.749	54.6%	0.599	11.9%	1.176	0.508	5.032
Becket	1.955	66.9%	0.132	4.5%	0.220	0.613	2.921
Bedford	22.535	66.5%	2.553	7.5%	4.189	4.601	33.878
Belchertown	9.001	45.0%	7.267	36.3%	1.552	2.192	20.012
Bellingham	13.994	52.3%	7.072	26.4%	3.296	2.382	26.743
Belmont	33.187	65.6%	5.129	10.1%	10.459	1.809	50.583
Berkley	3.040	45.2%	2.858	42.5%	0.527	0.294	6.719
Berlin	2.542	65.5%	0.517	13.3%	0.311	0.508	3.879
Bernardston	1.444	70.3%	0.206	10.0%	0.224	0.180	2.055
Beverly	37.704	57.9%	10.610	16.3%	14.708	2.096	65.117
Billerica	41.014	58.8%	15.089	21.6%	8.796	4.870	69.769
Blackstone	4.898	63.6%	0.908	11.8%	1.206	0.691	7.703
Blandford	0.874	61.5%	0.132	9.3%	0.254	0.161	1.420
Bolton	5.287	82.5%	0.160	2.5%	0.535	0.427	6.409
Boston	719.436	46.8%	413.623	26.9%	395.983	9.578	1538.619
Bourne	17.446	65.1%	4.619	17.2%	2.909	1.832	26.807
Boxborough	6.413	78.7%	0.340	4.2%	0.802	0.598	8.154
Boxford	8.912	69.8%	1.456	11.4%	1.169	1.222	12.758
Boylston	3.551	69.7%	0.523	10.3%	0.822	0.199	5.095
Braintree	36.622	58.4%	9.446	15.1%	14.241	2.376	62.684
Brewster	13.601	68.9%	0.839	4.3%	3.993	1.294	19.727
Bridgewater	13.516	61.7%	2.542	11.6%	4.962	0.888	21.908
Brimfield	2.547	50.2%	1.329	26.2%	0.673	0.528	5.077
Brockton	58.742	33.1%	75.336	42.5%	30.720	12.455	177.253
Brookfield	1.931	42.9%	1.838	40.8%	0.480	0.251	4.501
Brookline	80.820	64.8%	11.055	8.9%	29.105	3.697	124.677
Buckland	1.579	68.4%	0.212	9.2%	0.353	0.164	2.308
Burlington	37.671	70.2%	5.023	9.4%	9.477	1.474	53.644
Cambridge	144.442	38.4%	35.824	9.5%	138.604	57.337	376.208
Canton	25.032	64.6%	3.636	9.4%	8.633	1.431	38.733
Carlisle	8.383	78.1%	1.028	9.6%	0.668	0.658	10.737
Carver	9.472	48.5%	7.449	38.1%	1.831	0.794	19.545
Charlemont	1.163	72.3%	0.152	9.5%	0.193	0.099	1.608
Charlton	5.820	63.7%	0.881	9.6%	1.439	1.002	9.142
Chatham	13.775	65.5%	0.340	1.6%	4.457	2.465	21.037
Chelmsford	39.032	68.6%	9.360	16.5%	5.133	3.347	56.873
Chelsea	16.989	23.3%	38.787	53.2%	16.391	0.758	72.926
Cheshire	1.528	61.2%	0.474	19.0%	0.451	0.042	2.495
Chester	0.967	72.8%	0.163	12.3%	0.157	0.042	1.329
Chesterfield	1.081	76.4%	0.153	10.8%	0.093	0.087	1.414
Chicopee	34.027	40.4%	33.073	39.3%	16.040	0.990	84.129
Chilmark	2.354	77.9%	0.011	0.4%	0.421	0.234	3.020
Clarksburg	0.833	39.2%	1.088	51.3%	0.192	0.010	2.123
Clinton	7.908	39.8%	7.433	37.4%	2.802	1.727	19.870
Cohasset	12.084	69.6%	1.362	7.8%	2.682	1.241	17.369
Colrain	1.326	71.4%	0.216	11.6%	0.153	0.163	1.857
Concord	27.810	78.1%	2.717	7.6%	2.797	2.307	35.631
Conway	1.922	64.3%	0.686	23.0%	0.132	0.249	2.989
Cummington	0.826	66.5%	0.114	9.2%	0.113	0.189	1.241
Dalton	5.151	67.2%	0.988	12.9%	1.227	0.303	7.669
Danvers	30.308	60.0%	4.816	9.5%	13.181	2.204	50.510
Dartmouth	21.356	54.4%	7.308	18.6%	8.495	2.102	39.261
Dedham	28.383	67.2%	5.650	13.4%	6.512	1.687	42.232
Deerfield	4.309	63.8%	1.331	19.7%	0.838	0.272	6.750
Dennis	16.441	62.9%	0.453	1.7%	6.429	2.819	26.143
Dighton	4.702	69.7%	0.524	7.8%	0.923	0.597	6.745
Douglas	4.599	47.2%	3.605	37.0%	1.037	0.504	9.745
Dover	10.022	83.2%	0.284	2.4%	1.271	0.463	12.040
Dracut	18.990	56.2%	10.733	31.8%	3.798	0.277	33.798
Dudley	3.646	47.6%	1.073	14.0%	2.245	0.690	7.655
Dunstable	2.703	79.4%	0.175	5.1%	0.201	0.324	3.403
Duxbury	21.730	70.0%	2.536	8.2%	5.309	1.479	31.055
E Bridgewater	9.580	45.3%	5.999	28.4%	4.327	1.243	21.149
E Brookfield	0.902	44.8%	0.226	11.2%	0.385	0.500	2.014
E Longmeadow	15.567	65.0%	3.657	15.3%	3.131	1.605	23.961
Eastham	8.866	76.7%	0.595	5.2%	1.232	0.866	11.560
Easthampton	9.073	41.0%	8.334	37.7%	3.647	1.073	22.127
Easton	18.799	61.2%	5.755	18.7%	4.889	1.253	30.696
Edgartown	8.843	64.6%	0.768	5.6%	2.607	1.464	13.682
Egremont	1.572	70.8%	0.087	3.9%	0.295	0.264	2.219
Erving	2.443	63.0%	0.307	7.9%	0.669	0.462	3.881
Essex	3.203	64.4%	0.508	10.2%	1.087	0.175	4.973
Everett	42.139	57.8%	14.431	19.8%	10.441	5.889	72.900
Fairhaven	12.193	41.8%	6.441	22.1%	5.274	5.262	29.169
Fall River	35.722	25.0%	81.771	57.2%	18.513	6.916	142.922
Falmouth	37.857	66.7%	4.858	8.6%	9.874	4.155	56.744
Fitchburg	20.201	31.8%	27.749	43.7%	13.872	1.642	63.465
Florida	1.053	70.4%	0.330	22.1%	0.094	0.019	1.495
Foxborough	15.522	55.9%	5.044	18.2%	5.464	1.732	27.762
Framingham	75.866	61.2%	15.726	12.7%	24.774	7.601	123.968
Franklin	22.792	53.2%	9.459	22.1%	7.200	3.363	42.814
Freetown	6.500	61.3%	1.502	14.2%	1.217	1.393	10.611
Gardner	9.993	34.5%	12.070	41.6%	6.586	0.340	28.989
Gay Head	1.107	76.5%	0.005	0.4%	0.250	0.085	1.448
Georgetown	6.319	54.3%	2.303	19.8%	1.953	1.055	11.630
Gill	0.922	66.5%	0.167	12.0%	0.077	0.220	1.386
Gloucester	31.658	58.8%	7.686	14.3%	11.909	2.623	53.876
Goshen	0.935	75.7%	0.079	6.4%	0.119	0.102	1.235
Gosnold	0.233	34.4%	0.013	2.0%	0.268	0.164	0.678
Grafton	9.760	54.3%	4.305	24.0%	1.490	2.405	17.960
Granby	3.833	47.6%	2.642	32.8%	1.001	0.569	8.047
Granville	1.326	54.4%	0.727	29.8%	0.268	0.118	2.440
Greenfield	13.855	44.9%	10.526	34.1%	4.013	2.458	30.852
Groton	9.450	75.0%	0.526	4.2%	2.294	0.335	12.605
Groveland	4.477	66.8%	0.798	11.9%	1.043	0.381	6.699
Gt Barrington	7.600	61.2%	0.670	5.4%	2.188	1.964	12.421
Hadley	4.267	60.8%	0.836	11.9%	1.623	0.293	7.019
Halifax	5.029	50.4%	2.563	25.7%	1.661	0.726	9.978
Hamilton	9.103	76.3%	0.564	4.7%	1.671	0.592	11.931
Hampden	4.491	81.2%	0.465	8.4%	0.489	0.087	5.532
Hancock	0.582	51.1%	0.160	14.0%	0.175	0.224	1.141
Hanover	14.190	59.0%	4.276	17.8%	3.868	1.734	24.068
Hanson	7.580	64.4%	1.163	9.9%	1.600	1.435	11.778
Hardwick	1.675	62.7%	0.368	13.8%	0.406	0.224	2.672
Harvard	6.661	63.1%	3.083	29.2%	0.767	0.051	10.561
Harwich	17.906	69.0%	1.798	6.9%	3.808	2.425	25.936
Hatfield	2.947	56.3%	0.936	17.9%	0.847	0.503	5.233
Haverhill	38.396	29.2%	31.007	23.6%	57.023	5.190	131.615
Hawley	0.337	71.1%	0.089	18.8%	0.025	0.023	0.473
Heath	0.848	70.8%	0.078	6.5%	0.249	0.022	1.197
Hingham	30.015	74.5%	3.591	8.9%	5.229	1.458	40.293
Hinsdale	1.450	63.5%	0.216	9.5%	0.223	0.396	2.285
Holbrook	9.899	53.3%	4.914	26.4%	3.100	0.673	18.586
Holden	13.035	64.1%	1.561	7.7%	4.500	1.243	20.339
Holland	2.423	76.4%	0.442	13.9%	0.258	0.049	3.172
Holliston	14.671	59.9%	4.783	19.5%	2.765	2.277	24.496
Holyoke	25.565	26.9%	55.522	58.3%	9.259	4.834	95.179
Hopedale	5.340	58.9%	2.314	25.5%	1.297	0.113	9.064
Hopkinton	14.549	65.0%	2.702	12.1%	4.017	1.124	22.393
Hubbardston	2.289	68.0%	0.246	7.3%	0.477	0.354	3.367
Hudson	17.532	56.0%	6.147	19.6%	6.125	1.487	31.291
Hull	11.578	54.6%	5.396	25.4%	3.324	0.908	21.206
Huntington	1.381	59.2%	0.235	10.1%	0.339	0.377	2.332
Ipswich	12.588	62.6%	3.230	16.1%	3.197	1.105	20.120
Kingston	10.030	65.3%	1.987	12.9%	2.361	0.972	15.350
Lakeville	6.844	50.9%	2.039	15.2%	3.986	0.571	13.440
Lancaster							
Lanesborough	3.345	67.9%	0.834	16.9%	0.466	0.281	4.926
Lawrence	28.759	21.9%	80.989	61.7%	18.584	2.944	131.276
Lee	5.489	55.2%	1.815	18.3%	1.931	0.709	9.944
Leicester	5.679	37.2%	6.679	43.8%	1.005	1.893	15.256
Lenox	5.804	45.2%	1.888	14.7%	3.391	1.765	12.847
Leominster	27.985	49.0%	20.488	35.9%	7.326	1.336	57.135
Leverett	2.006	82.0%	0.256	10.5%	0.183	0.002	2.448
Lexington	53.186	67.6%	5.525	7.0%	18.535	1.456	78.702
Leyden	0.714	84.1%	0.067	7.9%	0.059	0.009	0.849
Lincoln	10.889	63.9%	2.124	12.5%	1.412	2.610	17.035
Littleton	10.053	67.9%	1.313	8.9%	2.107	1.323	14.797
Longmeadow	21.063	68.3%	3.512	11.4%	4.396	1.851	30.823
Lowell	60.994	32.7%	93.108	49.9%	25.989	6.657	186.749
Ludlow	13.589	47.6%	8.603	30.1%	4.873	1.473	28.537
Lunenburg	7.938	62.6%	3.377	26.6%	1.081	0.279	12.676
Lynn	48.960	34.9%	73.551	52.4%	13.961	3.812	140.284
Lynnfield	13.917	72.1%	2.182	11.3%	2.168	1.043	19.309
Malden	36.111	44.1%	27.550	33.6%	17.937	0.300	81.898
Manchester	8.912	72.7%	0.615	5.0%	2.136	0.602	12.266
Mansfield	20.784	54.4%	6.159	16.1%	7.174	4.060	38.177
Marblehead	24.643	65.8%	2.630	7.0%	3.868	6.300	37.439
Marlon	6.661	72.8%	0.313	3.4%	1.270	0.910	9.155
Marlborough	40.879	66.2%	8.334	13.5%	11.949	0.573	61.735
Marshfield	23.198	55.7%	8.422	20.2%	7.843	2.158	41.622
Mashpee	17.127	78.1%	2.357	10.7%	1.800	0.644	21.927
Mattapoisett	7.618	71.6%	0.578	5.4%	1.980	0.466	10.642
Maynard	11.227	63.4%	3.393	19.2%	2.303	0.787	17.710
Medfield	14.395	65.3%	3.111	14.1%	3.305	1.233	22.044
Medford	46.022	52.5%	22.399	25.6%	17.077	2.094	87.593
Medway	10.984	59.9%	3.732	20.4%	2.638	0.971	18.325
Melrose	25.887	57.8%	10.184	22.7%	7.379	1.347	44.797
Mendon	3.636	71.9%	0.263	5.2%	0.767	0.391	5.056
Merrimac	4.179	58.7%	0.970	13.6%	1.497	0.475	7.121

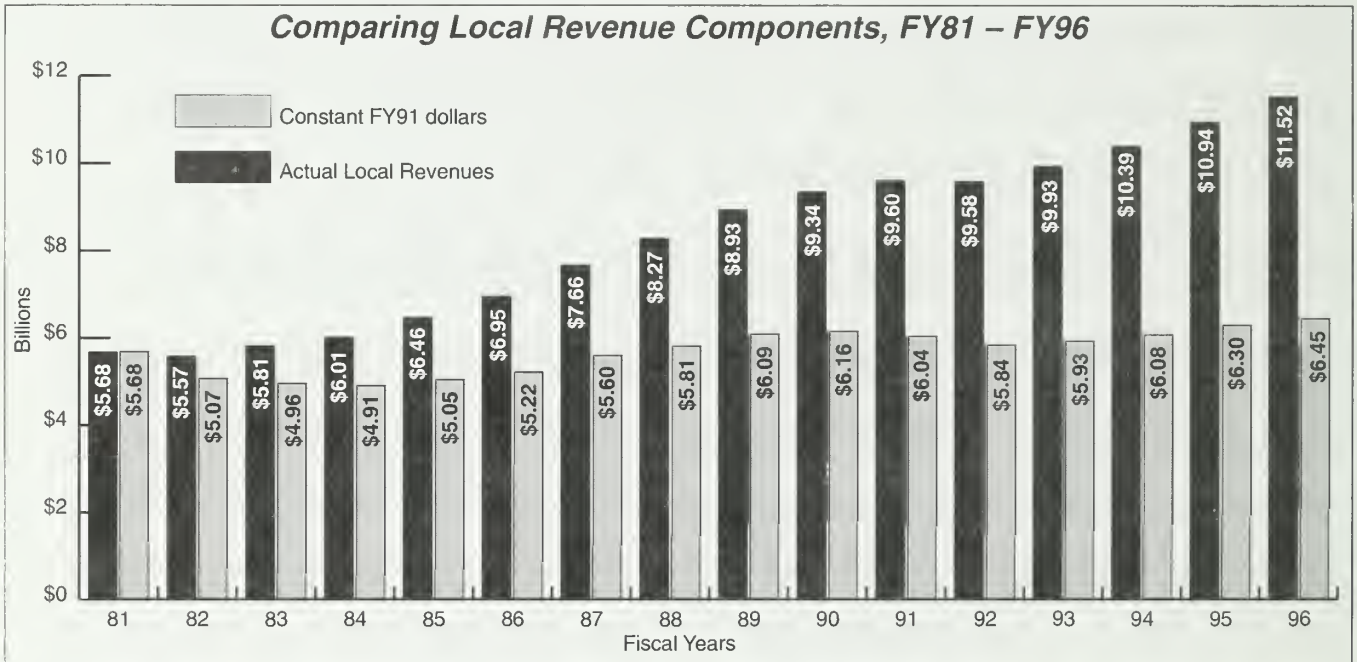
Municipality	Tax Levy	Pct Of Total	State Aid	Pct Of Total	Local Receipts	All Other	Total Budget
Methuen	32.501	51.1%	16.862	26.5%	12.942	1.281	63.586
Middleborough	13.540	40.3%	12.980	38.7%	5.056	1.994	33.570
Middlefield	0.478	79.6%	0.066	10.9%	0.051	0.006	0.601
Middleton	6.924	72.1%	0.723	7.5%	0.943	1.016	9.606
Milford	24.577	57.0%	12.272	28.5%	5.319	0.954	43.122
Millbury	7.933	49.7%	4.763	29.8%	1.005	2.257	15.959
Millis	7.529	55.1%	2.470	18.1%	1.945	1.710	13.653
Millville	1.831	65.1%	0.250	8.9%	0.224	0.509	2.815
Milton	29.615	66.0%	5.290	11.8%	8.532	1.427	44 864
Monroe	0.224	54.9%	0.064	15.6%	0.028	0.092	0.408
Monson	5.536	42.7%	5.577	43.0%	1.508	0.351	12.972
Montague	6.150	64 6%	0.944	9 9%	1.766	0.662	9.522
Monterey	1.347	74.8%	0.096	5.3%	0.132	0.226	1.801
Montgomery	0.673	62.7%	0.077	7.2%	0.070	0.253	1.074
Mt Washington	0.189	44.1%	0.090	20.9%	0.028	0.123	0.429
N Adams	7.245	28.3%	14.093	55.0%	3.557	0.745	25.639
N Andover	24.265	62.9%	4.296	11.1%	9.946	0.045	38.552
N Attleboroug	19.424	48.6%	9.900	24.7%	6.841	3.842	40.007
N Brookfield	2.231	29.8%	3.347	44.7%	1.384	0.529	7.491
N Reading	15.715	59.2%	3.794	14.3%	5.504	1.531	26.543
Nahant	3.892	58.7%	0.679	10.2%	1.930	0.134	6.635
Nantucket	22.287	51.8%	3.286	7.6%	16.370	1.070	43.014
Natick	38.640	65.5%	7.273	12.3%	11.087	2.010	59.009
Needham	40.967	68.2%	4.907	8.2%	12.433	1.795	60.101
New Ashford	0.162	51.8%	0.050	16.0%	0.048	0.053	0.313
New Bedford	48.809	29.3%	84.660	50.8%	32.209	1.000	166.678
New Braintree	0.633	62.7%	0.119	11.8%	0.082	0.176	1.009
New Marlboro	1.818	82.5%	0.113	5.1%	0.146	0.127	2.203
New Salem	0.596	49.4%	0.136	11.3%	0.362	0.111	1.206
Newbury	6.186	72.5%	1.256	14.7%	1.024	0.070	8.537
Newburyport	18.279	62.3%	5.359	18.3%	5.401	0.304	29.343
Newton	129.683	69.5%	11.924	6.4%	33.425	11.616	186.648
Norfolk	9.069	60.9%	2.486	16.7%	2.152	1.183	14.890
Northampton	20.082	42.2%	11.527	24.2%	12.878	3.118	47.605
Northborough	14.991	72.6%	2.204	10.7%	3.093	0.359	20.646
Northbridge	7.048	38.8%	8.445	46.5%	1.884	0.770	18.146
Northfield	2.431	71.8%	0.432	12.7%	0.413	0.111	3.386
Norton	11.549	45.8%	6.999	27.7%	3.055	3.627	25.230
Norwell	13.957	72.2%	2.329	12.0%	2.341	0.714	19.341
Norwood	27.920	35.4%	7.536	9.5%	40.991	2.499	78.946
Oak Bluffs	8.082	69.2%	0.815	7.0%	1.801	0.987	11.685
Oakham	0.963	60.3%	0.162	10.1%	0.256	0.215	1.596
Orange	4.140	35.4%	5.112	43.7%	1.703	0.742	11.697
Orleans	11.112	69.5%	0.459	2.9%	3.227	1.196	15.994
Otis	2.020	90.0%	0.084	3.7%	0.107	0.033	2.243
Oxford	7.910	45.5%	7.194	41.4%	1.012	1.261	17.377
Palmer	8.364	40.8%	9.235	45.1%	1.981	0.903	20.483
Paxton	3.611	75.9%	0.348	7.3%	0.668	0.131	4.759
Peabody	36.441	43.8%	16.334	19.7%	24.504	5.835	83.114
Pelham	1.436	73.0%	0.158	8.0%	0.257	0.116	1.968
Pembroke	13.812	57.6%	4.100	17.1%	3.101	2.973	23.986
Pepperell	7.461	61.7%	0.879	7.3%	2.169	1.575	12.085
Peru	0.660	47.5%	0.159	11.4%	0.067	0.505	1.391
Petersham	0.890	50.9%	0.210	12.0%	0.310	0.337	1.747
Phillipston	0.867	71.5%	0.135	11.2%	0.140	0.070	1.212
Pittsfield	34.690	46.3%	28.210	37.7%	11.349	0.612	74.862
Plainfield	0.655	64.4%	0.079	7.8%	0.057	0.225	1.016
Plainville	5.720	60.7%	1.349	14.3%	1 617	0.737	9 423
Plymouth	61.807	61.3%	16.128	16.0%	11.352	11.572	100.858
Plympton	2.603	66.2%	0.551	14.0%	0.353	0.427	3.933
Princeton	3.623	71.4%	0.710	14.0%	0.546	0.192	5.072
Provincetown	6.825	44.8%	0.533	3.5%	5.272	2.607	15.237
Quincy	78.809	51.7%	33.989	22.3%	33.598	5.989	152.385
Randolph	23.455	53.4%	11.008	25.1%	7.325	2.133	43.922
Raynham	8.657	70.7%	1.235	10.1%	2.333	0.012	12.237
Reading	25.689	59.8%	6.313	14.7%	9.746	1.201	42.949
Rehoboth	7.163	73.6%	0.775	8.0%	1.305	0.486	9.728
Revere	34.050	47.4%	23.736	33.1%	11.550	2.438	71.774
Richmond	2.086	77.4%	0.273	10.1%	0.244	0.094	2.696
Rochester	3.735	45.3%	1.361	16.5%	2.224	0.916	8.237
Rockland	11.972	41.7%	9.248	32.2%	2.680	4.833	28.733
Rockport	9.297	56.8%	1.835	11.2%	3.609	1.636	16.377
Rowe	1.535	63.9%	0.033	1.4%	0.364	0.468	2.401
Rowley	4.496	62.3%	0.912	12.6%	1.239	0.569	7.215
Royalston							
Russell	1.138	46.7%	0.161	6.6%	0.956	0.181	2.436
Rutland	3.405	60.2%	0.560	9.9%	0.999	0.695	5.659
Salem	40.161	55.7%	16.905	23.5%	13.894	1.112	72.073
Salisbury	6.443	63.0%	0.573	5.6%	2.711	0.508	10.235
Sandisfield	1.067	75.4%	0.096	6.8%	0.060	0.193	1.416
Sandwich	20.523	69.2%	5.475	18.5%	2.632	1.031	29.661
Saugus	26.932	59.9%	6.245	13.9%	6.906	4.849	44.933
Savoy	0.448	45.4%	0.409	41.5%	0.065	0.064	0.986
Scituate	20.686	67.4%	4.251	13.9%	4 626	1.125	30.688
Seekonk	14 492	67.8%	3.516	16.4%	2.430	0.937	21.374
Sharon	21.310	70.6%	4.501	14.9%	3.700	0.680	30.191
Sheffield	3.818	79.4%	0.240	5.0%	0.528	0.221	4.808
Shelburne	1.514	62.9%	0.226	9.4%	0.282	0.383	2.406
Sherborn	8.711	82.1%	0.365	3.4%	0.650	0.881	10.607
Shirley	3.029	44.3%	3.145	46.0%	0.663	0.000	6.836
Shrewsbury	23.470	52.0%	5.894	13.0%	6.562	9.241	45.167
Shutesbury	2.048	70.4%	0.525	18.0%	0.260	0.076	2.908
Somerset	23.766	75.1%	2.575	8.1%	4.571	0.738	31.649
Somerville	45.349	39.1%	44.611	38.5%	19 214	6.700	115.874
South Hadley	11.035	48.2%	6.467	28.3%	3.903	1.487	22.892
Southampton	3.542	51.1%	1.829	26.4%	0.938	0.623	6.933
Southborough	10.537	71.9%	0.796	5.4%	2.183	1.138	14.654
Southbridge	8.453	30.3%	13.715	49.1%	4.801	0.953	27.922
Southwick	5.895	65.0%	0.855	9.4%	1.150	1.165	9.065
Spencer	5.002	54.1%	1.592	17.2%	1.970	0.676	9.239
Springfield	93.591	25.8%	164.072	45.3%	98.291	6.515	362.470
Sterling	6.006	73.8%	0.513	6.3%	1.456	0.158	8.132
Stockbridge	3.391	76.1%	0.119	2.7%	0.755	0.189	4.453
Stoneham	21.805	57.0%	5.694	14.9%	9.242	1.525	38.266
Stoughton	25.776	55.4%	9.045	19.4%	10.271	1.455	46.547
Stow	7.755	85.4%	0.315	3.5%	0.751	0.258	9.079
Sturbridge	8.064	61.4%	1.349	10.3%	2.663	1.063	13.139
Sudbury	27.072	77.7%	3.014	8.7%	3.262	1.489	34.836
Sunderland	2.324	57.5%	1.175	29.1%	0.391	0.150	4.039
Sutton	5.982	51.3%	3.778	32.4%	0.870	1.041	11.672
Swampscott	19.076	70.0%	2.385	8.7%	4.895	0.902	27.259
Swansea							
Taunton	31.432	34.8%	29.434	32.6%	19.817	9.625	90.308
Templeton	2.349	47.7%	0.931	18.9%	1.084	0.564	4.928
Tewksbury	26.756	55.5%	10.143	21.0%	7.800	3.539	48.237
Tisbury	8.626	75.2%	0.373	3.3%	1.369	1.106	11.474
Tolland	0.392	74.2%	0.058	11.0%	0.040	0.038	0.528
Topsfield	7.090	71.7%	0.918	9.3%	1.305	0.576	9.889
Townsend	6.956	73.7%	0.838	8.9%	1.047	0.598	9.439
Truro	3.970	67.0%	0.310	5.2%	0.725	0.922	5.927
Tyngsborough	9.641	57.4%	4.196	25.0%	0.917	2.048	16.801
Tyringham	0.648	75.8%	0.066	7.8%	0.057	0.084	0.856
Upton	4.031	66.7%	0.429	7.1%	1 171	0.415	6.046
Uxbridge	7.898	51.6%	5.202	34.0%	1.962	0.233	15.294
W Boylston	6.279	63.0%	1.503	15.1%	1.234	0.954	9.970
W Bridgewater	7.425	61.9%	1.983	16.5%	1.985	0.605	11.998
W Brookfield	2.338	60.9%	0.332	8.6%	0.660	0.512	3.843
W Newbury	4.552	68.8%	0.475	7.2%	0.868	0.720	6.616
W Springfield	27.348	60.4%	10.083	22.3%	7.295	0.543	45.269
W Stockbridge	2.186	77.4%	0.109	3.9%	0.261	0.270	2.826
W Tisbury	4.822	79.8%	0.595	9.9%	0.363	0.259	6.040
Wakefield	27.297	60.7%	6.387	14.2%	9.797	1.507	44.989
Wales	1.219	58.0%	0.678	32.3%	0.185	0.021	2.102
Walpole	21.819	56.9%	6.058	15.8%	8.012	2.439	38.329
Waltham	68.248	63.1%	15.360	14.2%	23.261	1.324	108.193
Ware	5.588	40.3%	5.624	40.6%	1.603	1.047	13.861
Wareham	16.259	46.5%	9.647	27.6%	6.850	2.206	34.962
Warren	2.606	55.2%	0.520	11.0%	0.791	0.807	4.723
Warwick	0.670	71.6%	0.176	18.8%	0.059	0.030	0.935
Washington	0.413	60.4%	0.145	21.1%	0.077	0.050	0.684
Watertown	34.383	60.5%	9.715	17.1%	11.831	0.873	56.802
Wayland	23.967	74.1%	2.938	9.1%	3.206	2.225	32.336
Webster	8.326	36.7%	7.909	34.9%	5.588	0.871	22.695
Wellesley	39.367	75.4%	4.047	7.7%	6.828	1.984	52.226
Wellfleet	5.717	72.3%	0.362	4.6%	0.898	0.927	7.905
Wendell	0.829	66.5%	0.216	17.4%	0.192	0.010	1.246
Wenham	4.667	78.6%	0.425	7.2%	0.798	0.046	5.935
Westborough	21.129	58.6%	2.326	6.5%	8.752	3.833	36.040
Westfield	27.706	41.7%	24.122	36.3%	11.625	2.951	66.404
Westford	20.840	66.4%	4.982	15.9%	3.986	1.592	31.400
Westhampton	1.424	60.2%	0.565	23.9%	0.150	0.226	2.364
Westminster	5.157	66.7%	0.524	6.8%	1.014	1.042	7.737
Weston	24 485	74 3%	1.873	5.7%	4.608	2.005	32.970
Westport	10.266	60.9%	3.773	22.4%	2.102	0.723	16.864
Westwood	23.453	72.6%	2.094	6.5%	5.795	0.952	32.294
Weymouth	42.140	50.0%	22.292	26.4%	17.822	2.058	84.312
Whately	1.819	68.0%	0.404	15.1%	0.323	0.129	2.675
Whitman	10.337	61.7%	1.588	9.5%	4.073	0.759	16.757
Wilbraham	13.051	73.8%	0.959	5.4%	3.350	0.319	17.679
Williamsburg	1.981	61.0%	0.601	18.5%	0.529	0.136	3.246
Williamstown	6.358	57.0%	1.482	13.3%	2.895	0.414	11.150
Wilmington	26.384	71.5%	4.537	12.3%	4.590	1.393	36.904
Winchendon	4.389	28.0%	8.477	54.2%	2.120	0.665	15.651
Winchester	30.859	72.5%	3.205	7.5%	7.019	1.493	42.576
Windsor	0.682	49.0%	0.141	10.1%	0.079	0.490	1.391
Winthrop	10.467	37.1%	7.850	27.8%	6.644	3.267	28.229
Woburn	38.567	58.4%	9.583	14.5%	14.890	3.033	66.073
Worcester	114.479	37.4%	130.560	42.6%	55.135	6.272	306.446
Worthington	1.072	67.7%	0.125	7.9%	0.150	0.237	1.584
Wrentham	9.519	61.0%	3.025	19 4%	1.430	1.621	15.595
Yarmouth	24.275	53.9%	1.036	2.3%	15.113	4.645	45.069

Blanks indicate that the community has not finalized its FY96 data.
State aid does not reflect aid to regional school districts.

Table 1

FY96 Local Revenue Components
➡ *continued from page three*

Figure 1



***Note:** Constant FY81 dollars calculated using the State and Local Government Implicit Price Deflator*

could generate from the local property tax, the historically predominant source of local revenues. In *Figure 1*, we show the historical breakdown of the local revenue components by category for FY81-FY96. As this chart illustrates, total local revenues have doubled during this time period, rising from $5.7 billion in FY81 to an estimated $11.5 billion in FY96. However, when total local revenues are calculated in constant FY81 dollars the increase is $790 million, or 14 percent. *Figure 2* shows the differences between actual total local revenues and those same revenues calculated in constant FY81 dollars.

A closer look at the trends in property tax revenues indicates that for many communities the property tax has remained the largest single source of local revenues. However, it is important to note that municipal reliance on property taxes has shifted over time. In FY81, for example, property tax revenues made up 58 percent of the state total. Communities relied the least on property taxes as a source of revenue in FY88 when they accounted for only 46 percent of local revenues. Since FY92, municipal reliance on property taxes has steadily remained between 51 and 53 percent of total local revenues. For an individual breakdown of each community's FY96 local revenue components see *Table 1*.

The second largest source of local revenues, state aid, accounts for 24 percent of FY96 local revenues. In the aggregate, state support of cities and towns, primarily through education and lottery aid, has risen steadily since the local aid cuts of FY90-FY92. However, as was the case with property tax revenues, individual communities' dependence on state aid as a source of local revenue varies widely across the state. Differences in state aid allocations are attributable in large part to the formulaic basis of many of the state aid programs. Some of the most common variables in state aid formulas are equalized valuation, population and school enrollment. In FY96, state aid to municipalities as a percentage of total local revenues ranged from 62 percent to less than 1 percent. Note that these state aid percentages do not include aid to regional school districts.

In addition to state aid increases during the 1980s, many communities increased fees and charges for certain municipal services. As a result, the aggregate local receipts portion of local revenues has increased over time. In recent years, however, local receipts have remained between 20 and 21 percent of total local revenues. The final category of local revenue components, all other sources, has remained a relatively small percentage of the state total. In FY96, the "other" category accounted for less than 5 percent of all local revenues. ■

Written by Kay M. Upham
with contributions by Roger Hatch

DLS UPDATE

Consortium Starts

The Community Software Consortium is gearing up to begin operations July 1, 1996. At this early stage, 49 of the 83 towns currently using the DOR Computer Assisted Mass Appraisal (DOR CAMA) and Tax Administration System, have already indicated they will join the consortium. Member communities will choose and jointly purchase updates and new versions of the system, as well as other related items. Possible areas of cooperative purchasing activity could range from tax bill forms to Geographic Information Systems (GIS).

The original model for DOR CAMA was state-funded and state-directed. (See "Community Software Consortium," *City & Town*, September 1995). The new Community Software Consortium model is structured so municipalities govern the consortium as well as specify and fund enhancements that are appropriate to community size and type. DLS will work with the enhancement committees to ensure overall standards are maintained, so that training, support and data exchange can rely on standardized versions. DLS will also continue to provide support and training for existing and future versions of the system. Currently introductory training is provided by DLS on-site in communities, while hands-on group training in a wide range of courses is given in regional computer labs each month. Increasingly, training is a topic of general interest to all assessors and contractors.

The consortium has been organized into five user groups which choose representatives to the governing board of directors. During the past month, four of the regional groups have met and held elections for this board. The groups elected the following representatives: Mattapoisett Assessment Administrator Lynn Traudt, southeast; Berlin Assessor Priscilla Hogan, central; Reading Chief Appraiser David Billard, northeast; and Lee Assistant Assessor Timothy Taylor, western. Franklin County will provide administrative and accounting services through an intergovernmental agreement.

The overall objective of the consortium is to spread the cost of system improvements as widely and fairly as possible, recognizing that what might be prohibitively expensive for one community acting alone involves negligible cost for a large number of communities buying cooperatively. Future user group meetings will focus on whether to fund incremental enhancements to the existing version of the software or aim instead at a Windows version of a customized, relational database. User groups will also consider demonstrations of new Web-enabled GIS programs that have the potential to bring GIS capabilities to the smallest jurisdictions at an affordable price. Questions on the software consortium can be directed to either David Davies (617) 626-2383 or Regina McArdle (617) 626-2368. ■

Written by Dave Davies

Belchertown's Voluntary Tax Program

Late property tax bills create cash flow problems for communities and budget problems for taxpayers. Belchertown, a growing community in western Massachusetts, has implemented a two-prong approach in an effort to eliminate the problem of late tax bills. First, the town adopted quarterly tax bills, M.G.L. Ch.59 Sec. 57C which has improved cash flow. Second, residents asked Treasurer/Collector William Barnett to develop a monthly voluntary payment plan for taxpayers on fixed incomes and those who do not have mortgage escrow accounts. The resulting voluntary tax bill program has satisfied the local taxpayers' request and is proving useful in dealing with delinquent taxpayers.

The town implemented the voluntary payment plan in 1995. Taxpayers sign a voluntary tax payment agreement authorizing the bank to deduct one-twelfth of the estimated real estate tax from their bank accounts each month. In the agreement, the taxpayer chooses the type of bank account — checking, money market, or other investment account—from which the payment is drawn. Electronic payments are performed through a clearing house at no cost to the community.

The monthly deduction is calculated in the spring. The deduction is based on the current real property tax assessment plus an estimate of the next year's tax increase due to Proposition 2½, divided into 12 equal payments. Each payment drawn from the taxpayer's bank account is credited to the taxpayer's property tax account. These payments are credited in advance of the quarterly tax commitment. Therefore, when the quarterly tax bill is issued, the payment has already been applied. In the following spring Mr. Barnett reviews the accounts in the program. Based on the new assessment, he revises the amount to be charged in anticipation of next year's tax increase and notifies each taxpayer in the program of any payment changes. According to Mr. Barnett, "The town has had early successes with this voluntary tax program. In addition, this payment program is used when a taxpayer falls in arrears and agrees to enter into a payment plan. To date, about 100 taxpayers have taken advantage of the voluntary program, including myself."

Anyone interested in this voluntary tax payment program may reach William Barnett at his office in Belchertown at (413) 323-0400. ■

Written by Melinda J. Ordway

Municipal Fiscal Calendar

July 1
Collector: *Mail Preliminary Quarterly Tax Bill*

July 15
Accountant: *Certification Date for Free Cash: Anytime after Books are Closed*
Two weeks after the close of a fiscal year, all accounts are closed out and the resulting balance sheet is submitted to DOR for certification. Free cash is certified any time after this date.

Assessors: *Deadline for Appealing Commissioner's Pipeline Valuations to ATB*

July 31
Treasurer: *File IRS Form 5500 (Report of Employee Benefit Plan)*
This is required if you provide a Fringe Benefit Plan giving Pre-Tax Insurance and/or Cafeteria Plan Benefits to employees and if that plan annually ends on December 31st.

August 1
Taxpayer: *Deadline for Paying 1st Quarterly Tax Payment M.G.L. Ch. 59, Sec. 57C; Deadline for Payment Without Interest*

Taxpayer: *Annual Boat Excise Return Due*

Accountant: *Notification of Total Receipts of Preceding Year*
The total actual local receipts (e.g., motor vehicle excise, fines, fees, water/sewer charges) of the previous fiscal year must be included on Schedule A of the Tax Rate Recapitulation Sheet (Recap) which is submitted by the Assessors to DOR. On the Recap, the Accountant certifies the previous fiscal year's actual revenues, and the Assessors use this information to project the next fiscal year's revenues. Any estimates of local receipts on the Recap that are higher than the previous year's actual receipts must be accompanied by documentation justifying the increase in order to be approved by the Commissioner of Revenue.

August 15
Assessors: *Deadline to Vote to Seek Approval for Authorization to Issue Preliminary Tax Bills*
For communities issuing preliminary real and personal property tax bills on a twice-yearly (non-quarterly) basis, the Assessors must vote to seek tax notice authorization approval from DOR by this date. After receiving approval, Assessors must submit a Pro-forma Tax Rate Recap Sheet to DOR for review and issue the tax bills by October 1.

Treasurer: *4th Quarter Reconciliation of Cash for the Previous Fiscal Year (due 45 days after end of quarter)*
A reconciliation is the process of comparing the Treasurer's accounts to the Accountant's ledger balance to determine if they are consistent, and for the officials to make any necessary corrections. When the reconciliation is complete, the Accountant should indicate agreement with the Treasurer's balances. Reconciliations are required every quarter by DOR, but cities and towns should reconcile monthly for their own purposes. Municipalities may also use these reports to monitor cash practices of the Treasurer's office. If the Accountant and Treasurer are not consistently reconciling cash accounts, or if the reconciliations indicate variances, the Mayor or Selectmen should inquire as to the reasons.

August Calendar will be continued next month.

9M–6/96–D696BOM

Data Bank Highlight

Government Price Index Recalculated

Perhaps the best inflation index to use when analyzing trends in local government finances is the "State and Local Government Implicit Price Deflator." Calculated by the US Department of Commerce's Bureau of Economic Analysis, it attempts to measure the change in the cost of a standard "market basket" of goods and services that governments must purchase. The index was recently recalculated. The index is available from the Data Bank for each year going back to 1980. An example of how to use it to present budget data in constant dollars is also available.

To obtain Municipal Data Bank information contact: John Sanguient at (617) 626-2355 for printed reports and data files; Burt Lewis at (617) 626-2358 for the On-Line Access System; or use ***http://www.magnet.state.ma.us/dor/dls*** *on the World Wide Web.* ■

City & Town

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Marilyn H. Browne, Editor

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CITY & TOWN

Mitchell Adams, Commissioner
Harry M. Grossman, Acting Deputy Commissioner

A Publication of the Massachusetts Department of Revenue's Division of Local Services

Cherry Sheets and the FY97 State Budget

Written by Kay M. Upham

On July 9, the Division of Local Services (DLS) released the FY97 Cherry Sheets, the official notification to cities, towns and regional school districts of their local aid and assessments for the new fiscal year. The FY97 Cherry Sheet figures are available electronically through the DLS On-line Access System and the DLS Internet Web site. In addition, the DLS mailed all municipalities and regional school districts printed copies of their FY97 Cherry Sheets.

Overall, the FY97 state budget (Chapter 151 of the Acts of 1996) authorizes a FY97 spending total of $17.45 billion, an increase of 3.2 percent over the FY96 spending total. The Cherry Sheet portion of the FY97 budget authorizes aid amounts totaling $3.482 billion. This FY97 Cherry Sheet total is an increase of $290 million, or approximately 9.1 percent over the previous year. The Cherry Sheets also include estimated municipal charges totaling $204.2 million, which is an increase of $3.3 million (1.6 percent) over the FY96 total of $200.9 million.

The most notable increases in Cherry Sheet aid in FY97 are in Chapter 70 Education aid and Lottery aid. Chapter 70 aid is the largest aid program on the Cherry Sheets. The FY97 Chapter 70 aid for municipalities is $1.693 billion; regional school districts are receiving $368 million. Local officials should note that in some cases, these Chapter 70 aid amounts are higher than the amounts specified in Section 3 of the FY97 budget. These higher aid amounts are the result of updated calculations that are expected to be funded through transfers to Chapter 70 from other accounts. The Department of Education (DOE) notified all communities and regional school districts of changes in the Chapter 70 aid amounts in July when they issued final local contribution and net school spending requirements.

Cherry Sheet aid in FY97 totals $3.482 billion ... an increase of 9.1 percent over the previous year.

The other substantial FY97 increase in Cherry Sheet Aid is an additional $41.6 million Lottery aid distribution. This new Lottery aid increases the total FY97 Lottery distribution to $484.2 million. This increase in Lottery aid reflects the state's continued commitment to the phasing out of the Lottery cap. Local officials should be aware that the entire FY97 Lottery aid increase is included in the FY97 Municipal Revenue Growth Factor (MRGF) calculation. Also, as has been the case in previous years, the state budget contains language exempting the $41.6 million increase in Lottery aid from reducing overburden aid.

Municipalities and regional school districts also received an increase in their School Building Assistance (SBA) aid. The FY97 Cherry Sheets show municipalities receiving $164 million and regional school districts receiving $23 million. The FY97 Cherry Sheets reflect the full allocation for each municipality and regional school district from this account, although full payment will rely upon expected reversions due to audits. The FY97 state budget also included a provision extending the SBA authorization to June 30, 2001.

A few other Cherry Sheet programs have increased appropriations for FY97. The Tuition for State Wards program has a FY97 appropriation of $7.5 million, almost double the FY96 Cherry Sheet amount. Both the Regional School Transportation and Regional Public Libraries programs have moderate increases. The Police Career Incentive Program, also known as the Quinn bill, has a FY97 Cherry Sheet aid amount that is 10 percent higher than the original FY96 appropriation. Lastly, the State Owned Land program

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LEGAL

in Our Opinion

Q: *A town sent water bills which did not reflect correct consumption. Is the town precluded from mailing corrected utility bills?*
A: No. The community can send corrected bills. There may be situations, however, where the municipality has no lien for the water charges. For example, if a community has issued water bills for *actual* usage and the collector has issued a municipal lien certificate as of a certain date, the community may not at a later date claim additional amounts in water liens for this period. This does not bar the municipality, however, from seeking to collect by means of a civil suit as set forth in M.G.L. Ch.40 Sec.42B.

If a municipality has merely sent *estimated* bills to its water customers, it is permissible for the community to send bills at a later time which reflect actual usage. There is no time limit on the issuance of these actual bills. It is therefore a customary practice for owners to request a final meter reading when property is sold in order to establish actual usage as of a fixed date.

Q: *When may a community assess the farm animal excise?*
A: M.G.L. Ch.59 Sec.8A imposes an excise at a preferential rate of $5 per $1,000 of valuation, in lieu of a personal property tax, on certain farm animals, farm machinery and equipment owned by any person, *not* including a corporation, engaged principally in agriculture. The purpose of the statute is to promote farming by affording partial tax relief. The Department has interpreted the phrase "engaged principally in agriculture" to mean that agriculture must be the primary occupation or employment of that individual. In our view, factors which must be considered by the local assessors to determine eligibility under the statute are the taxpayer's actual time devoted to farming activities and/or the earned income derived from the agricultural activities. We have also advised local assessors to evaluate these factors on a case by case basis since circumstances vary widely.

Q: *A town school department plans to lease vans under a multi-year contract. Is town meeting approval required?*
A: Such agreements must be carefully scrutinized since they can constitute impermissible financing arrangements rather than true leases or leases with an option to purchase. The Uniform Procurement Act governs purchasing and M.G.L. Ch.30B Sec.12 specifically addresses multi-year contracts. Unless authorized by majority vote of town meeting, the procurement officer may not solicit bids or award contracts for more than three years, including any renewal, extension or option. If the contract term is for three years or less, the statute only requires that funds be available for the first fiscal year at the time of contracting. Any payment or performance obligation in succeeding fiscal years depends on the availability and appropriation of funds.

Q: *In the budget, a mayor recommended a school capital project whose financing would come primarily from free cash and, in part, from the issuance of debt. Could the city council approve the mayor's recommendation on the condition that the funding source be changed, e.g., by borrowing the entire sum?*
A: Although M.G.L. Ch.44 Sec.32 in describing the city budget process does not specifically address this issue, we believe a natural reading of the statute requires that a mayor's recommendation of a funding source be binding on the city council. In our view, the choice as to a funding source (e.g., free cash, tax levy, debt etc.) is so integral a part of the budget process that it would not be reasonable to suppose that the Legislature meant to withhold that authority from the mayor. M.G.L. Ch.44 Sec.32 furthermore merely permits the city council to approve, reject or reduce any amount recommended by the mayor. Any action by the city council does not go back for further mayoral approval or veto. There is then no provision in the statute for the mayor to accept or reject the city council's conditional approval of the budget item. Under M.G.L. Ch.44 Sec.32, however, the city council can still raise the issue of the funding source by rejecting the mayor's recommendation; such action could lead to a new recommendation from the mayor which would include a different funding source. ■

Compiled by James Crowley

Cherry Sheets and the FY97 State Budget

➡ *continued from page one*

has a FY97 appropriation of $7.9 million, an increase of $1.0 million from the previous year.

Questions about the FY97 Cherry Sheets should be directed to Roger Hatch (617) 626-2377 or Lisa Juszkiewicz (617) 626-2386 of the Division's Local Aid Section. More information about accessing the DLS World Wide Web site or the DLS On-line Access System can be found on page 8. ■

Focus on Municipal Finance

The FY97 Municipal Revenue Growth Factor

With the implementation of the Education Reform Act of 1993, the Municipal Revenue Growth Factor (MRGF) instantly became an integral part of the municipal budget process. At the local level, this factor is a means of earmarking a certain percentage of each community's growth in annual municipal revenues for spending on local schools. The Division of Local Services (DLS) calculates the MRGF estimates each December so that in January the Department of Education (DOE) can use these factors to calculate each community's gross standard of effort and preliminary local contribution. Because a number of changes are usually proposed in the various versions of the state budget, each community's MRGF for the upcoming fiscal year is not finalized until the state budget has been passed by the Legislature and signed by the Governor.

Given the importance of the MRGF to local budgets, this article explains how the factor is calculated and shows each community's FY97 MRGF. In addition, we look at trends in the MRGF since its implementation in FY94. Lastly, we discuss some proposals for amending the MRGF calculation.

The MRGF Calculation

The MRGF is based on the combined percentage increase of four separate components: an automatic 2½ percent increase in the previous year's levy limit, an estimation of new growth, the annual change in general revenue sharing and the combined change between the previous year's actual recurring receipts and the current year's estimated receipts.

The first component of the formula, the automatic 2½ percent increase in the previous year's levy limit (net of overrides), is a straightforward percentage increase calculation. However, if a community's FY96 tax rate was not set as of early January 1996 (when the FY97 factors were calculated), DLS used an estimate of its FY96 levy limit.

The second formula component, an estimation of new growth, is based on the previous three years' average in new growth in terms of the percentage increase they accounted for in the previous year's limit. The largest of these three percentages is compared to the average of the other two. If the difference exceeds two percentage points, then the largest percentage is considered to represent an aberration that is not expected to reoccur. In this case, the lowest three years out of the most recent four are used to estimate the new growth rate of increase. This rate is applied to the FY96 levy limit in order to come up with the estimated levy increase due to new growth in FY97.

The third component, the change in general revenue sharing accounts, is calculated as the combined change in three Cherry Sheet programs: Additional Assistance, State Owned Land and Lottery. The Additional Assistance program has been level funded in recent years and the State Owned Land estimate is based on the Governor's proposed budget, not the final FY97 state budget figures. The Lottery portion of this component includes the entire $41.6 million FY97 Lottery aid increase. In previous years, the state budget specifically excluded all or a portion of the Lottery aid increase from education spending requirements.

The final component of the MRGF formula is the change in unrestricted local receipts. The seven receipt categories used in the MRGF calculation are: motor vehicle excise, other excise, penalties and interest on taxes and excise, payments in lieu of taxes, fines and forfeits, investment income and other recurring miscellaneous receipts. For FY97, this component was based on the combined change between the actual FY95 and estimated FY96 recurring general-purpose local receipts on the Schedule A of the Tax Recapitulation Sheet.

Trends

In *Table 1*, we list each community's MRGF for FY94, FY95, FY96 and FY97 as well as the percentage change in the MRGF between FY96 and FY97. For those communities with negative MRGFs, DOE sets the MRGF at zero when calculating the gross standard of effort and preliminary local contribution.

Looking at the MRGF from a historical perspective, the state average MRGF has fluctuated: it was 2.9 percent in FY94, 2.65 percent in FY95, 3.38 percent in FY96 and 2.49 percent in FY97. The majority (nearly 200) of the FY97 MRGFs were between 2 and 4 percent. A large percentage of communities (72 percent) saw their MRGFs decrease, in most cases moderately, between FY96 and FY97. At least 0.5 percent of the decrease in the FY97 MRGF is attributable

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Trends in the Municipal Revenue Growth Factor

Municipality	FY94 MRGF	FY95 MRGF	FY96 MRGF	FY97 MRGF	Change FY96-FY97
Abington	2.74	3.49	3.52	4.12	0.60
Acton	2.90	3.04	4 12	4.42	0.30
Acushnet	3.78	3.48	4.08	4 68	0.60
Adams	1.91	1.52	2.98	1.54	-1.44
Agawam	2.38	2.68	3.10	2.89	-0.21
Alford	3.65	2.84	3.19	1.31	-1.88
Amesbury	3.65	3.83	4.34	4.17	-0.17
Amherst	3.25	3.01	4.13	4.59	0.46
Andover	3.10	3.86	4.32	2.82	-1.50
Arlington	2.04	2.10	2.47	2.02	-0.45
Ashburnham	3.56	2.97	4.31	2.98	-1.33
Ashby	3.82	1.90	4.71	3.26	-1.45
Ashfield	3.66	3.02	3.61	3.30	-0.31
Ashland	4.10	3.97	4.53	3.47	-1.06
Athol	3.04	2.98	4.61	4.54	-0.07
Attleboro	3.28	2.34	4.62	4.17	-0.45
Auburn	3.18	3.73	4 13	3.12	-1.01
Avon	4.05	3.01	4.32	3.47	-0.85
Ayer	7.05	6.52	4.67	5.12	0.45
Barnstable	4.03	3.72	3.15	0.89	-2.26
Barre	5.20	4.58	4.52	4.00	-0.52
Becket	4 79	3.45	2.97	3.79	0.82
Bedford	3.72	3.69	3.70	2.67	-1.03
Belchertown	5.39	5.43	4.14	2.44	-1.70
Bellingham	5.47	9.53	6.93	3.16	-3.77
Belmont	2.76	2.23	2.57	2.39	-0.18
Berkley	6.06	6.73	7.66	7.38	-0.28
Berlin	1.07	1.10	3.51	4.29	0.78
Bernardston	2.75	2.55	2.87	3.13	0.26
Beverly	2.66	3.13	3.74	3.66	-0.08
Billerica	4.18	3.30	3.74	2.78	-0.96
Blackstone	1.59	2.84	3.65	3.15	-0.50
Blandford	0.16	2.90	-1.83	1.83	3.66
Bolton	1.79	2.61	3.39	4.46	1.07
Boston	2.35	1.69	2.44	0.74	-1.70
Bourne	3.17	1.59	2.40	1.59	-0.81
Boxborough	6.01	6.44	6.77	6.46	-0.31
Boxford	2.79	2.94	3.60	3.46	-0.14
Boylston	3.84	3.07	2.96	3.87	0.91
Braintree	2.01	2.69	3.05	1.74	-1.31
Brewster	1.76	2.24	3.20	1.66	-1.54
Bridgewater	4.51	3.93	5.44	5.56	0.12
Brimfield	4.37	2.47	3.20	0.53	-2.67
Brockton	2.56	2.64	3.03	1.94	-1.09
Brookfield	3.76	-0.98	4.51	-1.44	-5.95
Brookline	3.14	1.76	3.16	2.54	-0.62
Buckland	0.91	1.04	1.28	2.26	0.98
Burlington	3.37	3.12	3.25	3.38	0.13
Cambridge	2.92	1.68	2.23	1.66	-0.57
Canton	3.89	2.94	3.80	2.63	-1.17
Carlisle	2.02	3.35	3.49	3.53	0.04
Carver	3.56	3.38	4.17	4.73	0.56
Charlemont	4.55	3.52	3.31	2.86	-0.45
Charlton	4.47	4.75	4.49	4.68	0.19
Chatham	3.73	2.82	3.03	3.53	0.50
Chelmsford	2.75	2.70	2.92	3.25	0.33
Chelsea	2.87	3.55	3.70	3.97	0.27
Cheshire	3.23	3.02	4.12	3.86	-0.26
Chester	4.06	3.37	4.44	3.70	-0.74
Chesterfield	2.46	1.49	1.68	2.78	1.10
Chicopee	3.10	3.13	3.80	3.72	-0.08
Chilmark	3.92	3.94	3.97	3.96	-0.01
Clarksburg	2.70	2.79	4.09	3.59	-0.50
Clinton	0.67	3.39	3.99	3 69	-0.30
Cohasset	2.64	2.66	2.86	2.30	-0.56
Colrain	3.26	2.73	1.52	0.36	-1.16
Concord	1.80	2.00	3.64	1.75	-1.89
Conway	0.71	2.36	4.66	3.43	-1.23
Cummington	-0.37	-0.19	4.12	2.26	-1.86
Dalton	3.00	3.12	2.63	2.98	0.35
Danvers	3.46	3.17	3.45	4.08	0.63
Dartmouth	3.60	3.96	4.53	3.81	-0.72
Dedham	2.16	2.37	2.70	1.18	-1.52
Deerfield	0.67	-1.37	3.79	-4.29	-8.08
Dennis	2.83	3.17	4.10	0.76	-3.34
Dighton	3.26	3.49	4.51	4.69	0.18
Douglas	5.55	4.86	5.30	2.20	-3.10
Dover	3.51	3.35	2.79	4.37	1.58
Dracut	3.55	3.70	4.05	2.34	-1.71
Dudley	2.98	3.08	4.32	3.09	-1.23
Dunstable	3.98	3.13	5.57	2.62	-2.95
Duxbury	2.36	2.56	4.21	3.18	-1.03
E Bridgewater	4.27	3.30	1.22	0.86	-0.36
E Brookfield	2.03	2.75	2.51	3.46	0.95
E Longmeadow	3.73	3.88	5.10	2.79	-2.31
Eastham	3.73	2.07	3.01	2.62	-0.39
Easthampton	1.45	1.80	3.65	1.56	-2.09
Easton	2.61	1.52	3.97	2.17	-1.80
Edgartown	3.46	3.26	3.15	3.08	-0.07
Egremont	3.02	0.15	1.82	2.75	0.93
Erving	1.90	1.49	1.74	1.39	-0.35
Essex	4.70	4.20	4.51	4.23	-0.28
Everett	3.95	3.76	3.53	3.61	0.08
Fairhaven	2.34	1.93	2.48	1.14	-1.34
Fall River	2.69	3.00	3.73	4.18	0.45
Falmouth	2.15	1.88	3.14	1.84	-1.30
Fitchburg	2.05	1.86	3.99	4.00	0.01
Florida	2.87	2.99	1.97	1.16	-0.81
Foxborough	2.99	1.75	2.71	1.33	-1.38
Framingham	2.77	1.89	3.57	2.44	-1.13
Franklin	4.40	3.54	5.03	3.88	-1.15
Freetown	3.67	3.82	4.25	3.63	-0.62
Gardner	2.73	2.92	4.09	3.97	-0.12
Gay Head	3.18	3.21	0.00	4.28	4.28
Georgetown	4.80	3.84	4.70	4 26	-0.44
Gill	0.05	-0.86	1.14	0.50	-0.64
Gloucester	2.53	2.71	3.83	2.96	-0.87
Goshen	3.59	3.47	4.08	3.85	-0.23
Gosnold	1.85	0.20	0.29	3.91	3.62
Grafton	1.82	2.83	2.64	2.71	0.07
Granby	4 39	3.87	4.32	4.21	-0.11
Granville	2.08	3.01	0.69	2.56	1.87
Gr Barrington	3.39	3.07	3.45	0.61	-2.84
Greenfield	2.20	2.61	3.55	3.54	-0.01
Groton	4.01	4.69	6.05	5.64	-0.41
Groveland	2.52	2.79	3.40	2.96	-0.44
Hadley	3.13	3.73	4.92	4.24	-0.68
Halifax	3.42	2.82	3.37	4.29	0.92
Hamilton	2.02	2.04	2.46	2.33	-0.13
Hampden	4.08	3.88	5.20	5.13	-0.07
Hancock	-1.97	2.32	0.27	0.48	0.21
Hanover	0.96	1.40	3.95	3.19	-0.76
Hanson	3.10	1.79	3.70	2.27	-1.43
Hardwick	3.26	3.44	4 19	3.93	-0.26
Harvard	2.79	2.85	4.60	3.80	-0.80
Harwich	-0.15	1.22	1.90	4.16	2.26
Hatfield	1.76	2.31	0.21	1.37	1.16
Haverhill	3.93	3.16	4.01	2.72	-1.29
Hawley	0.63	2.51	2.46	2.39	-0.07
Heath	2.05	2.82	3.05	1.31	-1.74
Hingham	2.53	3.13	3.05	0.57	-2.48
Hinsdale	4.49	3.67	3.46	3.54	0.08
Holbrook	2.99	3.15	3.64	3.62	-0.02
Holden	2.77	2.63	4.57	4.68	0.11
Holland	3.63	3.48	0.61	2.65	2.04
Holliston	2.45	2.68	3.73	3.19	-0.54
Holyoke	3.57	2.29	3.64	1.75	-1.89
Hopedale	2.84	3.75	4.90	3.05	-1.85
Hopkinton	3.90	5.74	6.29	7.48	1.19
Hubbardston	5.71	4.85	4.92	4.73	-0.19
Hudson	4.20	2.66	5.01	3.12	-1.89
Hull	2.53	2.67	2.93	1.67	-1.26
Huntington	2.98	1.50	3.44	2.35	-1.09
Ipswich	3.09	1.79	2.80	1.10	-1.70
Kingston	5.28	3.37	6.24	2.36	-3.88
Lakeville	3.18	3.77	3.56	3.53	-0.03
Lancaster	3.00	2.04	3.24	1.71	-1.53
Lanesborough	3.95	3.23	2.70	2.12	-0.58
Lawrence	2.91	3.26	4.57	-0.94	-5.51
Lee	3.42	0.96	3.66	1.74	-1.92
Leicester	2.85	3.27	4.57	-0.56	-5.13
Lenox	-4.71	-4.90	-3.73	-3.06	0.67
Leominster	2.10	1.46	2.23	1.06	-1.17
Leverett	3.56	3.93	4.08	3.89	-0.19
Lexington	2.71	2.67	2.15	1.79	-0.36
Leyden	3.92	3.39	0.81	3.47	2.66
Lincoln	1.51	1.23	2.35	-0.43	-2.78
Littleton	3.36	2.52	3.25	2.99	-0.26
Longmeadow	2.76	3.02	3.04	2.97	-0.07
Lowell	2.93	3.35	3.74	3.26	-0.48
Ludlow	2.82	3.31	3.83	3.20	-0.63
Lunenburg	3.08	2.84	3.91	2.14	-1.77
Lynn	1.74	2.59	3.48	1.06	-2.42
Lynnfield	1.79	2.70	2.42	2.13	-0.29
Malden	2.14	3.28	3.59	3.16	-0.43
Manchester	2.71	3.03	3.73	3.79	0.06
Mansfield	4.54	4.63	4.91	4.40	-0.51
Marblehead	1.84	1.45	2.24	0.23	-2.01
Marion	3.40	2.22	3.79	2.38	-1.41
Marlborough	4.09	3.86	4.07	4.70	0.63
Marshfield	2.04	2.59	2.77	1.05	-1.72
Mashpee	4.10	2.72	3.92	2.67	-1.25
Mattapoisett	3.17	3.44	3.32	3.01	-0.31
Maynard	3.69	3.96	4.55	2.69	-1.86
Medfield	4.15	3.27	3.90	4.52	0.62
Medford	2.91	2.68	2.65	2.59	-0.06
Medway	5.75	5.53	5.48	6.01	0.53
Melrose	2.51	1.94	2.32	1.57	-0.75
Mendon	3.82	4.41	5.11	5.28	0.17
Merrimac	4.73	4.61	5.42	6.48	1.06

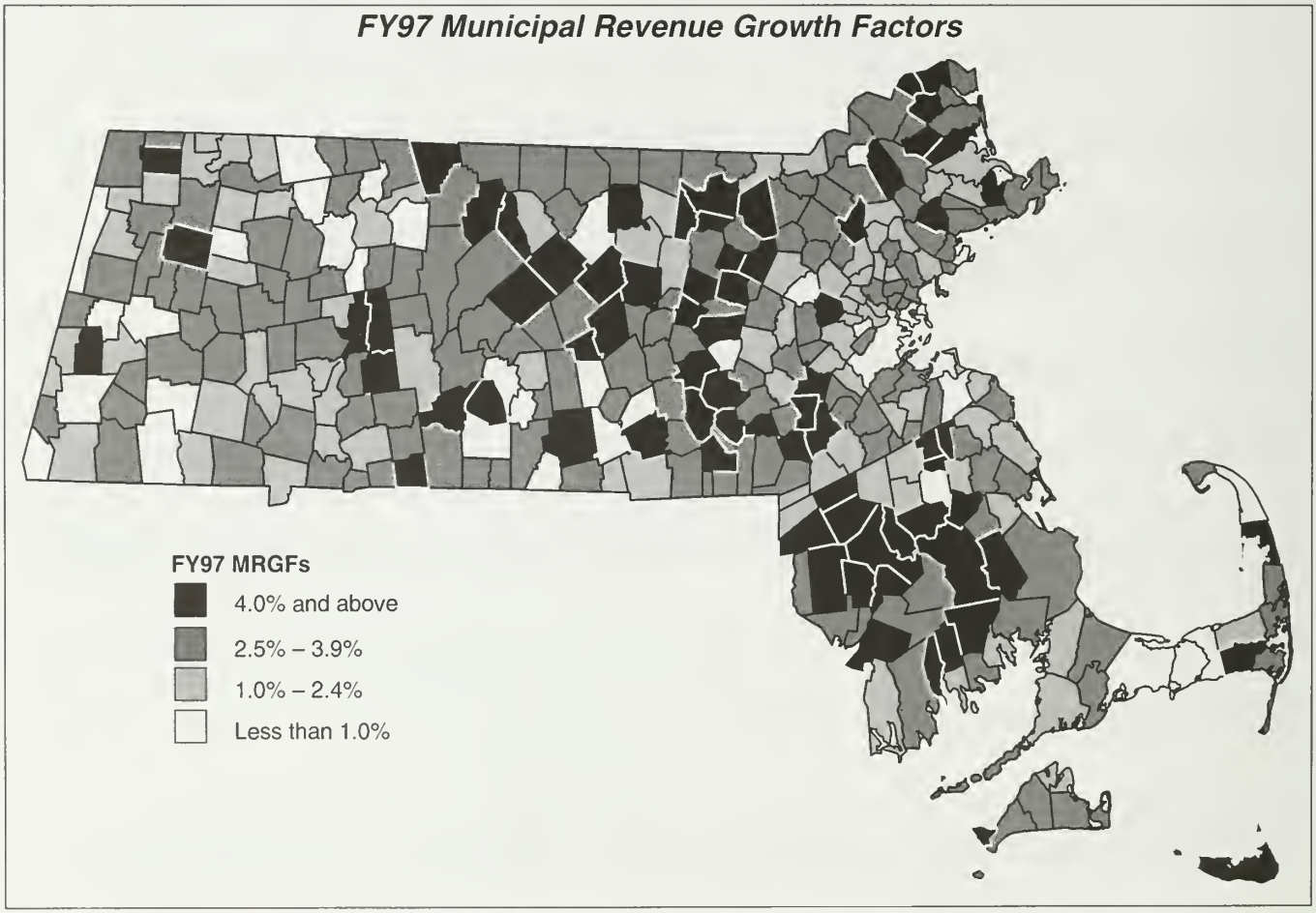
Municipality	FY94 MRGF	FY95 MRGF	FY96 MRGF	FY97 MRGF	Change FY96-FY97
Methuen	2.76	3.48	3.42	2.61	-0.81
Middleborough	5.07	3.94	4.35	4.08	-0.27
Middlefield	5.12	5.08	3.78	3.83	0.05
Middleton	1.74	3.60	3.38	3.34	-0.04
Milford	4.78	5.66	5.59	5.49	-0.10
Millbury	2.73	3.20	4.18	0.42	-3.76
Millis	2.55	2.16	3.95	2.58	-1.37
Millville	1.86	2.47	4.17	3.88	-0.29
Milton	2.76	2.35	2.98	2.55	-0.43
Monroe	3.54	8.06	5.17	1.56	-3.61
Monson	2.21	2.65	5.17	2.51	-2.66
Montague	4.01	2.50	2.95	2.30	-0.65
Monterey	4.28	4.82	3.97	3.11	-0.86
Montgomery	1.08	1.21	1.78	2.22	0.44
Mt Washington	-1.24	0.41	0.72	-1.86	-2.58
Nahant	2.78	3.05	3.01	3.01	0.00
Nantucket	3.10	1.08	4.03	4.05	0.02
Natick	1.96	1.96	4.02	2.97	-1.05
Needham	2.09	1.48	3.02	1.46	-1.56
New Ashford	1.15	1.78	2.18	1.52	-0.66
New Bedford	3.11	3.10	4.15	4.73	0.58
New Braintree	1.98	3.06	3.24	3.18	-0.06
New Marlborough	4.17	0.59	2.53	3.44	0.91
New Salem	3.14	3.49	3.44	3.30	-0.14
Newbury	3.46	3.49	4.03	2.70	-1.33
Newburyport	3.87	3.53	4.55	3.24	-1.31
Newton	2.56	3.10	3.47	1.93	-1.54
Norfolk	3.13	3.40	4.85	4.91	0.06
N Adams	2.96	2.96	3.06	4.60	1.54
N Andover	2.01	4.08	4.80	4.30	-0.50
N Attleboro	3.75	-0.14	3.40	1.91	-1.49
N Brookfield	1.31	1.31	2.97	1.17	-1.80
N Reading	2.08	3.48	3.38	2.48	-0.90
Northampton	2.34	3.27	3.93	3.65	-0.28
Northborough	3.72	3.05	4.11	3.84	-0.27
Northbridge	2.39	2.01	2.39	3.36	0.97
Northfield	4.35	4.15	3.16	3.68	0.52
Norton	4.86	2.84	4.41	4.12	-0.29
Norwell	3.32	3.23	3.68	2.03	-1.65
Norwood	2.56	2.60	2.84	2.89	0.05
Oak Bluffs	1.50	3.23	4.04	1.03	-3.01
Oakham	2.02	2.05	2.75	3.47	0.72
Orange	2.31	2.64	4.00	3.24	-0.76
Orleans	3.05	3.34	3.46	2.90	-0.56
Otis	3.25	2.36	2.49	-0.07	-2.56
Oxford	1.53	2.24	3.43	0.41	-3.02
Palmer	3.58	3.80	4.63	4.79	0.16
Paxton	3.06	3.47	3.67	4.08	0.41
Peabody	3.04	2.43	2.88	2.94	0.06
Pelham	1.78	1.16	2.75	3.49	0.74
Pembroke	3.32	2.87	2.67	2.80	0.13
Pepperell	2.62	3.04	3.46	3.69	0.23
Peru	2.37	-2.65	3.48	2.96	-0.52
Petersham	-9.75	2.31	2.69	3.67	0.98
Phillipston	5.21	2.11	2.67	4.30	1.63
Pittsfield	3.75	2.69	3.78	3.63	-0.15
Plainfield	1.98	1.99	1.85	-0.12	-1.97
Plainville	3.57	3.19	3.82	2.30	-1.52
Plymouth	4.19	3.85	3.60	3.21	-0.39
Plympton	3.64	5.28	1.91	2.68	0.77
Princeton	2.77	1.23	4.40	4.24	-0.16
Provincetown	3.05	3.11	3.54	3.32	-0.22
Quincy	3.65	3.17	3.13	3.06	-0.07
Randolph	2.55	2.37	3.12	1.68	-1.44
Raynham	4.97	4.45	4.97	5.45	0.48
Reading	2.26	2.41	2.92	2.32	-0.60
Rehoboth	3.96	4.09	4.59	4.59	0.00
Revere	2.39	2.56	2.60	2.57	-0.03
Richmond	3.40	4.09	4.24	3.78	-0.46
Rochester	2.62	4.29	0.43	4.88	4.45
Rockland	4.24	3.45	4.17	4.23	0.06
Rockport	2.83	2.70	3.39	3.37	-0.02
Rowe	1.81	1.78	2.33	2.07	-0.26
Rowley	2.87	3.77	4.49	4.21	-0.28
Royalston	1.57	1.34	3.94	3.66	-0.28
Russell	2.15	2.35	2.71	3.71	1.00
Rutland	3.69	2.95	4.56	3.82	-0.74
Salem	2.57	3.00	3.99	3.42	-0.57
Salisbury	4.18	2.09	4.25	3.79	-0.46
Sandisfield	0.15	-1.48	-0.14	0.81	0.95
Sandwich	2.99	3.28	3.65	3.09	-0.56
Saugus	3.68	3.08	3.96	3.72	-0.24
Savoy	3.30	3.62	0.54	3.83	3.29
Scituate	2.70	1.43	3.19	2.91	-0.28
Seekonk	3.78	3.60	4.65	3.22	-1.43
Sharon	3.12	1.69	4.47	2.07	-2.40
Sheffield	4.58	0.93	0.69	2.12	1.43
Shelburne	1.05	0.85	0.01	-0.68	-0.69
Sherborn	1.56	2.66	2.27	2.13	-0.14
Shirley	3.71	3.56	4.83	4.40	-0.43
Shrewsbury	3.05	3.03	3.50	2.50	-1.00
Shutesbury	4.26	2.93	3.93	3.49	-0.44
Somerset	4.82	4.83	4.51	3.83	-0.68
Somerville	1.00	-0.17	3.12	1.16	-1.96
S Hadley	3.03	3.70	4.34	3.53	-0.81
Southampton	2.71	3.41	4.27	1.87	-2.40
Southborough	2.61	1.11	2.41	0.35	-2.06
Southbridge	0.19	-0.43	3.47	0.37	-3.10
Southwick	4.08	2.03	2.68	2.38	-0.30
Spencer	2.83	2.91	4.22	3.83	-0.39
Springfield	2.92	3.26	3.94	1.29	-2.65
Sterling	4.13	3.39	3.92	4.41	0.49
Stockbridge	2.29	3.28	3.78	4.16	0.38
Stoneham	2.62	2.64	3.07	1.81	-1.26
Stoughton	3.99	3.41	3.72	3.76	0.04
Stow	2.79	3.46	4.23	3.99	-0.24
Sturbridge	1.86	2.02	2.54	2.52	-0.02
Sudbury	3.04	2.94	3.33	2.80	-0.53
Sunderland	3.81	1.34	1.23	0.68	-0.55
Sutton	4.57	4.51	5.10	4.50	-0.60
Swampscott	2.64	3.10	3.35	3.51	0.16
Swansea	3.62	3.28	3.92	3.63	-0.29
Taunton	4.09	3.41	4.63	5.03	0.40
Templeton	0.54	1.28	3.19	2.45	-0.74
Tewksbury	4.75	3.89	3.66	3.97	0.31
Tisbury	0.61	2.94	2.58	1.29	-1.29
Tolland	2.84	1.04	3.41	1.54	-1.87
Topsfield	2.64	2.30	3.15	2.42	-0.73
Townsend	2.89	3.16	4.03	3.70	-0.33
Truro	3.00	2.20	2.00	0.20	-1.80
Tyngsborough	3.04	3.90	3.71	1.79	-1.92
Tyringham	3.58	3.78	3.50	3.58	0.08
Upton	5.05	5.28	6.13	6.78	0.65
Uxbridge	4.52	4.65	4.44	3.71	-0.73
Wakefield	3.22	3.05	3.62	3.43	-0.19
Wales	5.34	3.52	4.39	3.82	-0.57
Walpole	3.75	3.45	4.12	4.08	-0.04
Waltham	4.48	4.02	4.25	4.32	0.07
Ware	3.42	3.07	4.13	3.30	-0.83
Wareham	4.53	3.25	3.50	3.51	0.01
Warren	4.08	5.05	5.45	4.03	-1.42
Warwick	4.17	5.34	4.02	4.32	0.30
Washington	3.34	1.88	-3.04	-1.43	1.61
Watertown	2.42	2.32	2.33	1.37	-0.96
Wayland	2.68	2.63	3.04	2.00	-1.04
Webster	1.98	2.20	2.39	1.32	-1.07
Wellesley	1.58	3.07	4.00	3.29	-0.71
Wellfleet	3.58	3.73	3.34	4.06	0.72
Wendell	2.96	3.16	2.27	-1.70	-3.97
Wenham	3.33	3.45	4.28	3.37	-0.91
W Boylston	2.85	3.29	3.57	2.88	-0.69
W Bridgewater	3.63	2.82	4.35	1.95	-2.40
W Brookfield	0.39	-1.20	0.80	-0.06	-0.86
W Newbury	2.38	3.21	4.38	5.05	0.67
W Springfield	4.37	3.55	4.23	1.60	-2.63
W Stockbridge	3.62	3.88	4.56	2.45	-2.11
W Tisbury	3.72	3.58	3.76	3.10	-0.66
Westborough	3.65	4.20	4.64	5.07	0.43
Westfield	0.94	2.02	2.20	2.61	0.41
Westford	3.71	4.64	5.37	5.55	0.18
Westhampton	3.63	3.91	4.45	3.61	-0.84
Westminster	3.02	3.49	4.16	-0.85	-5.01
Weston	2.15	2.65	3.38	2.61	-0.77
Westport	2.93	2.98	2.17	2.07	-0.10
Westwood	3.99	1.39	3.38	3.12	-0.26
Weymouth	2.77	1.63	3.54	3.08	-0.46
Whately	3.76	3.72	3.76	3.41	-0.35
Whitman	3.47	3.55	4.27	4.13	-0.14
Wilbraham	2.90	3.14	3.77	3.49	-0.28
Williamsburg	2.77	3.08	3.29	3.47	0.18
Williamstown	1.26	2.69	3.50	3.07	-0.43
Wilmington	3.61	4.03	4.66	4.16	-0.50
Winchendon	4.27	0.62	4.26	3.07	-1.19
Winchester	3.03	2.92	2.91	2.36	-0.55
Windsor	3.06	3.08	3.45	4.64	1.19
Winthrop	1.36	0.85	1.45	0.30	-1.15
Woburn	3.48	2.59	3.68	2.07	-1.61
Worcester	3.17	2.34	4.17	3.35	-0.82
Worthington	3.73	2.32	3.78	3.41	-0.37
Wrentham	3.51	3.33	3.93	3.59	-0.34
Yarmouth	3.14	1.51	2.81	0.80	-2.01
State Total	**2.90**	**2.65**	**3.38**	**2.49**	**-0.89**

Note: Deerfield's FY97 MRGF may be recalculated to adjust for a reporting error.

Table 1

FY97 Municipal Revenue Growth Factor
➡ *continued from page three*

Figure 1



to budgeted decreases in the motor vehicle receipts portion of the factor. As the map in *Figure 1* indicates, some of the higher FY97 MRGFs are concentrated in particular areas, especially the rapidly expanding communities near Interstate 495. In contrast, the inner suburbs of Boston, generally characterized as economically developed, have relatively low factors.

As has been the case in previous years, the FY97 state budget outlined the same provisions for communities with high MRGFs. To qualify, a community's MRGF must be greater than or equal to 3.74 percent (1.5 times the state average) and the estimated revenue growth must overstate actual revenue growth. These waiver provisions were specified in Section 589 of the FY97 conference committee budget.

Future Years' MRGFs

In a report issued in February 1996, the Foundation Budget Review Commission, established by the Education Reform Act of 1993 to monitor the performance of the new system for financing schools, recommended modifying the MRGF calculation. In this report, the Foundation Budget Review Commission advocated basing the local receipts portion of the factor on budgeted receipts for the prior year rather than on actual collections. While this recommendation was not adopted this year, it is still under consideration for future years. ■

Written by Kay M. Upham

with contributions by Roger Hatch and Donna Demirai

DLS UPDATE

Municipal Recycling Equipment Grants

The Department of Environmental Protection (DEP) Division of Solid Waste Management is gearing up to offer recycling equipment grants to communities and solid waste management districts for FY97. Grant awards will be given based on the community or solid waste management district's ability to use the grant items productively and a demonstrated need for the equipment. Grants are funded from the Clean Environment Fund (unclaimed bottle deposits). Municipalities and solid waste management districts should look for grant applications to arrive in the mail late July or early August 1996. Repeated requests from previous years for equipment are not discouraged. All grant applications must be returned to DEP by early October 1996. Grants may include items such as:

- curbside recycling trucks;
- set-out containers for new and/or expanding curbside recycling programs;
- roll-off containers for drop-off recycling facilities;
- home composting bins;
- DEP mailed customized consumer education materials with city or town specific information, such as, acceptable recyclable materials, collection hours and curbside collection calendar;
- transfer trailers, technical assistance, and funds for recycling transfer station construction or expansion may be submitted from regional entities consisting of five or more municipalities or a combined population of at least 100,000;
- storage equipment for starting household paint and oil collection programs; and
- custom-printed trash bags and stickers for new unit-pricing solid waste management "pay-as-you-throw" programs.

DEP has awarded equipment grants on a competitive basis since 1991. In FY96, DEP distributed $2.4 million in equipment grants. Last year alone sixty-seven communities received grants for equipment, 100 communities received grants for consumer education materials and 10 regional groups received grant awards.

Each of the four DEP designated regions of the state will be hosting grant application workshops in August to provide hands-on information and guidance in completing the applications. The following lists the dates of the FY97 DEP Recycling Equipment Grants Workshops:

August 1, 1:30 p.m. — 3:30 p.m., Pittsfield, location TBA

August 7, 11:00 a.m. — 1:00 p.m., Wilmington Town Hall

August 7, 2:00 p.m. — 4:00 p.m., Waltham Town Hall

August 12, 10:00 a.m. — 12:00 noon, Walpole Town Hall

August 13, 10:00 a.m. — 12:00 noon, Gloucester City Hall

August 13, 2:00 p.m. — 4:00 p.m., Boston City Hall, BRA Board Room

August 14, 10:00 a.m. — 12:00 p.m., Hingham Town Hall

August 20, 10:00 a.m. — 12:00 noon, Barnstable County Superior Court, Room 11 & 12

August 20, 2:00 p.m. — 4:00 p.m., Taunton City Hall

August 21, 10:00 a.m. — 12:00 noon, Fitchburg City Hall

August 21, 1:30 p.m. — 3:30 p.m., Worcester DPW Yard

August 22, 1:30 p.m. — 3:30 p.m., Greenfield City Hall

August 22, 7:00 p.m. — 9:00 p.m., Sturbridge Town Hall

August 27, 1:30 p.m. — 3:30 p.m., Dartmouth Town Hall

September 3, 1:30 p.m. — 3:30 p.m. Springfield Treatment Facility

For additional information on the grants and workshops please call Brooke Nash, Recycling Grants Manager, at (617) 292-5984. Grant awards will be announced between December 1996 and May 1997. ■

Written by John Crisley, Recycling Information Coordinator, DEP-DSWM/Recycling

Municipal Law Seminar

Mark your calendars. What's New in Municipal Law will be presented in Framingham and West Springfield this fall. The seminars will be held on:

- Friday, September 6, 1996, Sheraton Tara Hotel, 1657 Worcester Road (Route 9), Framingham, MA; and
- Friday, October 18, 1996, Ramada Hotel, 1080 Riverdale Street (Route 5), West Springfield, MA.

Seminars will begin with registration and coffee at 8:30 a.m. The general morning session starts promptly at 9:00 a.m. and runs until 12:30 p.m. Topics will include court decisions and new legislative enactments. In the afternoon, 1:00 to 4:00 p.m., you will be able to attend several workshops on a variety of topics of interest to municipal officials. DLS will mail a Bulletin to cities and towns in August announcing the workshop topics.

The registration fee is $10.00 and lunch is an additional, optional $18.00. Checks should be made out to the Commonwealth of Massachusetts. Those sending in personal checks will receive a receipt the day of the seminar. Register early to ensure your seat at the seminar, call Barbara LaVertue at (617) 626-2340. ■

Municipal Fiscal Calendar

Continued from June issue.

August 31

Taxpayer: *Last Filing Day for Classified Forest Land, M.G.L. Ch. 61*

DOR/BOA: *Issue Instructions For Determining Local and District Tax Rates*
A copy of the Tax Rate Recap Sheet and its instructions are forwarded to the town.

Assessors: *Begin Work on Tax Rate Recapitulation Sheet (to set tax rate for semi-annual bills)*
Until the Tax Rate Recap Sheet is completed and certified by the Commissioner of Revenue, the town may not set a tax rate nor send out its property tax bills (unless it issues quarterly tax bills or requests from DOR the authority to send out preliminary tax notices if DOR requirements are met). Towns should begin gathering the information in enough time for the tax rate to be set and tax bills mailed by October 1. The Tax Rate Recap Sheet provides Selectmen with a ready-made financial management tool because the town's most important financial management information is summarized on this form. The Selectmen should review the Recap Sheet in preliminary form in order to understand the following financial information:

Part I (Tax Rate Summary) — The proposed tax levy should be compared to the levy limit. If a town does not levy to its limit, the remaining levy is referred to as excess levy capacity. Excess levy capacity is lost to the town for the current fiscal year although it will always remain in the levy limit calculation.

Part II (Amount To Be Raised) — This section includes appropriations and other local expenditures not appropriated. These include overlay deficits, revenue deficits, state and county charges, Cherry Sheet offset items, and the allowance for abatements and exemptions. By comparing this information to the prior year(s), any significant changes can be determined.

Part III (Estimated Receipts & Revenues From Other Sources) — In particular, Section C shows the amount appropriated from free cash and other available funds. By comparing the amounts appropriated to the balances in these accounts (available from the Accountant), the Selectmen can get a sense of how their non-property tax revenues are being used.

Schedule A (Local Receipts Not Allocated) — By comparing these figures to prior year(s), the Selectmen can determine any changes in these revenues.

9M-7/96-D697B04

Data Bank Highlight

State Aid Trend Analysis

A popular Data Bank report is the "State Aid Trend Analysis" which looks at a community's estimated receipts, by program, for any five-year time period back to FY88. For even longer-term trends, "Net State Aid" looks at total receipts, total assessments, and a community's "net" aid for each year between FY81 and FY97.

To obtain Municipal Data Bank information contact: John Sanguinet at (617) 626-2355 for printed reports and data files; Burt Lewis at (617) 626-2358 for the On-Line Access System; or use http://www.magnet.state.ma.us/dor/dls on the World Wide Web. ■

City & Town

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Marilyn H. Browne, Editor

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Mitchell Adams, Commissioner
Harry M. Grossman, Acting Deputy Commissioner

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Funding Collective Bargaining from Future Year Appropriations

Written by Gary Blau

In December, 1995 the Division of Local Services (DLS) began publishing a series of articles for local officials on municipal collective bargaining issues. This article, the fourth in the series, focuses specifically on funding collective bargaining agreements from future year appropriations. In municipal collective bargaining, a community must be able to identify funds available that may be used to settle negotiated contracts. For many municipalities, funds may not be available immediately but may be available in subsequent fiscal years. Some communities have tried a variety of methods to structure collective bargaining agreements in which wage or benefit cost items are initially funded in a succeeding fiscal year.

One such method attempted is to agree to zero salary and wage increases in the year of negotiations with increases added only in the latter year or years of the contract. Another involves an agreement in the first year to fund increases in that year from the following year's appropriations. Still another is to agree with employees to defer receipt of compensation earned in one year to a later year. While these methods superficially enable communities to settle contracts, municipal finance and collective bargaining laws would appear to prohibit them, at least with respect to non-school employees.

Non-school contracts which call for wage increases only in future years of the contract are not binding in the latter years without an appropriation vote of the legislative body. In the case of *Somerville v. Somerville Municipal Employees Association*, 418 Mass. 21 (1994), the mayor negotiated a two year contract with level wages in the first year and a three percent increase in the second year. Since the then current budget appropriation was sufficient to cover the first year contract obligations, no additional appropriation was requested for that year.

In the following fiscal year's budget, the mayor requested an appropriation for the wage increases of the second year. At that time the mayor indicated in a separate letter that due to a combination of reduced available revenues and increased fixed costs, significant layoffs would have to be made. The board of aldermen approved the budget, but by resolution called for the mayor to minimize layoffs by applying monies recaptured from the board's refusal to fund the negotiated pay increases. The Supreme Judicial Court ruled that the appropriation did not include the wage increases and that the increases were not binding on the city.

Similarly, any vote to fund a non-school collective bargaining agreement from a future year's appropriation would also appear to be invalid. In the case of *Mendes v. Taunton*, 366 Mass. 109, 115-16 (1974), the court ruled that a legislative body has no authority to appropriate in the current year to cover salaries to be earned in a future year. By the same reasoning, a current legislative body has no authority to appropriate amounts from a future year's budget. However, a municipal legislative body could, after execution of a contract calling for the first cost item increases in the next fiscal year, appropriate funds in the annual (or supplemental) budget for the next fiscal year. See *Somerville v. Somerville Municipal Employees Association*, supra. Any such appropriation should specifically refer to the collective bargaining agreement to indicate that the legislative body has approved the cost items by such appropriation. See *Alliance, AFSCME/SEIU, AFL-CIO v. Secretary of Administration*, 413 Mass. 377, 385-6 (1992); *Somerville v. Somerville Municipal Employees Association*, supra.

Lastly, a collective bargaining agreement that provides for a deferral of compensation may be unenforceable unless funds are appropriated in the year of execution to cover those deferred amounts. An appropriation vote in the year of payment of the deferral would probably ratify the agreement and be enforceable, provided the retroactive pay provisions of M.G.L. Ch.44 Sec.68 so permitted. For example, no deferral of compensation for work performed in FY95 could be made enforceable by an appropriation vote in FY97, although it could be ratified by an appropriation vote in FY96. See the June, 1996 *City & Town* article

continued on page two ➡

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LEGAL in Our Opinion

Q: *How is boat excise calculated?*
A: The boat excise is imposed for the privilege of using the waterways of the Commonwealth. M.G.L. 60B Sec.2 provides that the amount of the excise is based upon the fair cash value of the vessel and its equipment, as determined by the local assessors. The value, however, may not exceed the amount listed in the chart as found in the statute. The values in the chart are based on the length and age of the vessel. For example, a brand new twenty foot boat has a value of $5,000 according to the chart. At the statutory rate of $10 per thousand, the excise is $50.

Q: *What penalties may a community impose if a taxpayer refuses to pay his boat excise bill?*
A: The boat excise is due and payable 60 days after the bills are sent. If the boat excise remains unpaid after the due date, M.G.L. Ch.60B permits the harbormaster to refuse to allow the subject vessel to be moored, docked or situated within the community's waterways. The collector can also use the remedies for collection under M.G.L. Ch.60. The collector may issue a demand for a fee of $5. In addition to the demand fee, the collector may also impose a $20 fee or 20% of the excise due, whichever is greater. For example, if the taxpayer in our previous example does not pay his $50 excise bill timely, the collector can send a demand which includes a $20 fee and interest at a rate of 12%. The taxpayer would then owe $75 plus interest.

Q: *May a farmer affix farm plates to an automobile?*
A: No. M.G.L. Ch.90 Sec.5 expressly prohibits the use of a farm plate on a "passenger motor vehicle."

Q: *May a farm plate be affixed to a leased pick-up truck?*
A: Yes. M.G.L. Ch.90 Sec.5 permits the use of farm plates on vehicles "owned or controlled" by the holder of the plate. A leased vehicle is controlled by the lessee. The farmer will be able to affix a farm plate to the leased truck if "principally used for and dedicated to carrying on a farm related activity."

Q: *Under what circumstances would a vehicle operated with a farm plate be exempt from motor vehicle excise?*
A: The assessors must determine that the vehicle is used "solely in connection with the business of the owner as controller as ... farmer ... and in no way for his personal use or convenience or the personal use and convenience of his family or any other person." As the courts have often stated, the burden is on the taxpayer to show exempt status. A taxpayer who satisfies the strict criteria of the statute qualifies for exemption.

Q: *Can a taxpayer whose property is in tax title defer future property taxes under M.G.L. Ch.59 Sec.5 Cl.41A?*
A: If the applicant files a deferral application and satisfies the statutory requirements, the assessors must defer taxes for that fiscal year, notwithstanding the applicant's non-payment of prior years' taxes. Since a tax deferral is tantamount to a tax title under the terms of M.G.L. Ch.59 Sec.5 Cl.41A, the collector should certify any amounts deferred to the existing tax title account. Amounts included in the tax title account, however, will accrue interest at different rates. Interest on any deferred taxes will accrue at a rate of eight percent per annum whereas ordinary tax title amounts will accrue interest at a rate of 16 percent, if the tax taking was made on or after August 16, 1979. Upon the sale of the property or the death of the taxpayer (unless the surviving spouse also defers taxes), the interest rate on the deferred taxes will increase to 16 percent. The city or town treasurer must wait six months after the sale or death of the taxpayer to file a petition in Land Court to foreclose the lien. ■

Compiled by James Crowley

Funding Collective Bargaining

➡ *continued from page one*

entitled "Retroactive Wage Increases in Collective Bargaining Agreements."

While there is no specific case law, it would appear that school contracts negotiated in the above described manners might be binding on a school committee. No specific additional appropriation is required to bind the school committee to its negotiated agreements, under M.G.L. Ch.50E Sec.7(b). However, the Division takes the position that a school committee may bind itself to a collective bargaining agreement without an additional appropriation only to the extent it has a sufficient unencumbered total appropriation from which to pay the negotiated costs, under M.G.L. Ch.44 Sec.31 and Ch.71 Sec.34. See *Boston Teacher's Union v. School Committee of Boston*, 370 Mass. 455,464-466 (1976).

Any questions about these or other collective bargaining finance issues should be directed to Gary Blau at (617) 626-2315. ■

Note: *Also see: "Minimum Staffing and Job Security Provisions in Collective Bargaining Agreements." City & Town, Vol. 9, No. 3, March 1996:1, "Retroactive Wage Increases and Collective Bargaining Agreements." City & Town, Vol. 9, No. 6, June 1996:1, and "Massachusetts Municipal Collective Bargaining Issues." City & Town, Vol. 8, No. 12, December 1995:1.*

Focus on Municipal Finance

FY96 Average Single Family Property Values and Tax Bills

As many of our readers are well aware, each fall *City & Town* publishes an analysis of Massachusetts communities' average single family tax bills. This analysis is based on FY96 property tax information submitted by local assessors to the Division of Local Services (DLS). Because of its clear impact on local officials and taxpayers, this Focus remains one of the most requested articles throughout the year.

We begin our analysis with a description of the methodology used in calculating the single family average tax bill for FY96. Next, we provide data on the FY96 single family average property tax bills of 338 communities. Then, we discuss how the Massachusetts average property tax bill has changed over time and show its growth in actual versus constant dollars. Lastly, we take our analysis one step further and examine Massachusetts property taxes in comparison to neighboring states and the national average.

Methodology

This analysis is based on only one type of residential property — the single family residential parcel. We focused on this type of parcel for two reasons. First, single family residential parcels are the largest category of residential properties; they make up over half the total number of parcels statewide. Second, because the different types of residential categories (apartments, condominiums, multi-family, etc.) vary significantly in parcel structure, it is difficult to make accurate comparisons across the different categories.

The methodology used in estimating the single family average tax bill is relatively straightforward. The average property tax bill is calculated by first summing the assessed value of all the single family property parcels in a locality. This aggregate value is divided by the number of single family parcels to derive an average value per parcel. Applying the residential tax rate to this figure yields the average single-family tax bill.

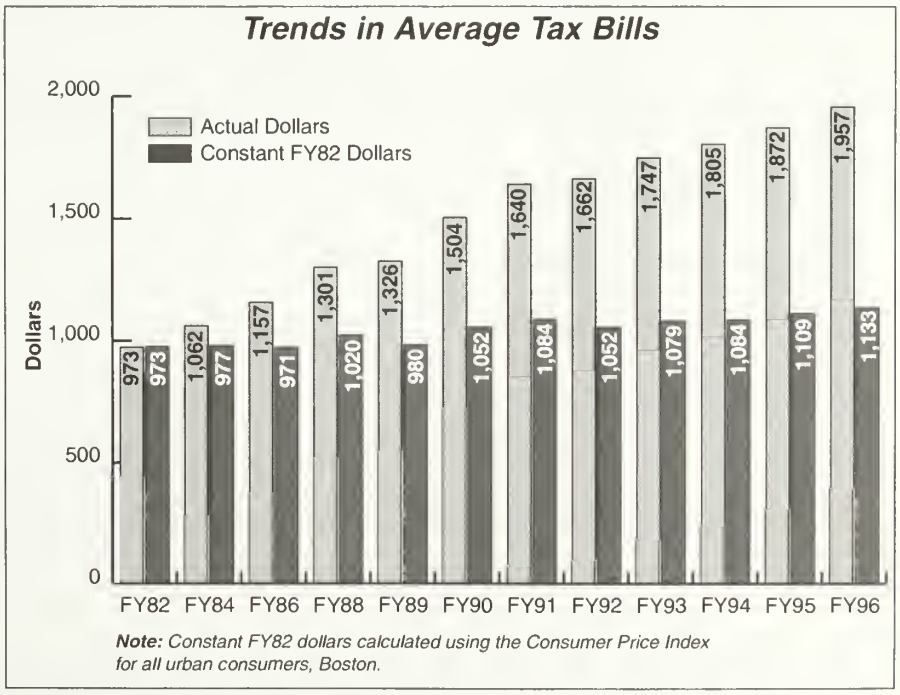
The data used in this analysis was submitted to DLS by local assessors. At the time of this analysis only two towns had not set their tax rates and were subsequently not included. In addition, the eleven towns with residential exemptions are not included because their data are not reported in sufficient detail to reflect the exemptions' impact on the average. This analysis includes FY96 data for the remaining 338 communities.

FY96 Results

In FY96, the state median single family property tax bill rose to $1,957, an $85 or 4.5 percent increase over the previous year's median. This increase in the median single family property tax bill can be attributed to a variety of factors including: the 2½% increase allowable under Proposition 2½, overrides, debt and capital outlay exclusions and the use of excess levy capacity. Weston ($6,797), Lincoln ($6,039) and Sherborn ($5,879) had the highest single family average property tax bills. The communities with the lowest single family average property tax bills were Rowe ($533), Tolland ($613) and New Ashford ($691). The majority (76.9 percent) of communities had single family average property tax bills above $1,500 but less than $4,000.

continued on page six ➡

Figure 1



Average Single Family Tax Bill

Municipality	FY96 Parcels	FY96 Average Value	FY96 Tax Rate	FY95 Average Tax Bill	FY96 Average Tax Bill	FY96 Hi-Lo Rank	FY95-96 % chg
Abington	3,331	132,311	17.82	2,302	2,358	103	2.4%
Acton	4,395	235,204	18.09	4,159	4,255	17	2.3%
Acushnet	2,597	118,948	12.74	1,457	1,515	274	4.0%
Adams	1,989	87,964	16.27	1,397	1,431	290	2.4%
Agawam	7,123	116,915	15.71	1,806	1,837	193	1.7%
Alford	259	237,933	7.44	1,761	1,770	213	0.5%
Amesbury	2,879	134,912	18.71	2,571	2,524	88	-1.8%
Amherst	3,953	148,859	18.39	2,633	2,738	65	4.0%
Andover	7,970	235,487	16.41	3,651	3,864	20	5.8%
Arlington	7,900	192,293	16.54	3,086	3,181	41	3.1%
Ashburnham	2,011	102,070	16.45	1,758	1,679	225	-4.5%
Ashby	922	111,798	17.12	1,855	1,914	179	3.2%
Ashfield	619	122,820	13.62	1,611	1,673	227	3.8%
Ashland	2,949	155,619	17.42	2,672	2,711	67	1.5%
Athol	3,039	70,285	13.44	910	945	328	3.8%
Attleboro	7,776	118,879	14.03	1,565	1,668	230	6.6%
Auburn	4,499	110,760	12.94	1,424	1,433	289	0.6%
Avon	1,238	125,169	11.64	1,491	1,457	284	-2.3%
Ayer							
Barnstable	19,439	169,584	11.74	1,893	1,991	165	5.2%
Barre	1,208	101,512	14.68	1,520	1,490	280	-2.0%
Becket	1,501	92,730	10.06	927	933	329	0.6%
Bedford	3,068	230,095	13.37	2,775	3,076	44	10.8%
Belchertown	3,148	127,125	16.37	1,917	2,081	138	8.6%
Bellingham	3,993	117,316	15.58	1,765	1,828	196	3.6%
Belmont	4,498	337,948	14.08	4,593	4,758	8	3.6%
Berkley	1,557	128,216	11.93	1,490	1,530	270	2.7%
Berlin	652	165,575	14.53	2,401	2,406	98	0.2%
Bernardston	640	112,978	13.94	1,654	1,575	259	-4.8%
Beverly	7,973	182,382	15.50	2,711	2,827	56	4.3%
Billerica	10,029	134,427	15.24	2,025	2,049	143	1.2%
Blackstone	1,807	118,090	14.84	1,681	1,752	215	4.2%
Blandford	476	119,658	10.95	1,291	1,310	307	1.5%
Bolton	1,166	218,807	15.69	3,250	3,433	32	5.6%
Boston							
Boxborough	6,511	146,869	12.43	1,792	1,826	198	1.9%
Boxborough	888	239,069	18.80	4,124	4,494	11	9.0%
Boxford	2,256	265,466	13.45	3,415	3,571	28	4.6%
Boylston	1,114	164,732	13.89	2,195	2,288	110	4.2%
Braintree	8,646	155,946	12.18	1,859	1,899	182	2.2%
Brewster	4,613	149,030	12.97	1,940	1,933	175	-0.4%
Bridgewater	4,207	143,326	14.93	2,035	2,140	128	5.2%
Brimfield	1,081	112,141	15.29	1,736	1,715	217	-1.2%
Brockton	15,601	85,310	19.60	1,665	1,672	228	0.4%
Brookfield	715	100,508	16.98	1,587	1,707	219	7.6%
Brookline							
Buckland	576	99,991	16.26	1,501	1,626	240	8.3%
Burlington	6,312	168,478	12.00	2,013	2,022	155	0.4%
Cambridge							
Canton	4,856	192,582	13.20	2,470	2,542	85	2.9%
Carlisle	1,448	332,164	16.00	5,308	5,315	4	0.1%
Carver	2,641	113,334	18.34	1,981	2,079	139	4.9%
Charlemont	382	91,458	19.51	1,627	1,784	207	9.6%
Charlton	3,062	117,017	11.39	1,278	1,333	302	4.3%
Chatham	5,129	224,683	8.72	1,846	1,959	169	6.1%
Chelmsford	8,682	153,594	19.66	2,910	3,020	47	3.8%
Chelsea							
Cheshire	984	104,409	10.75	1,095	1,122	319	2.5%
Chester	448	98,399	14.06	1,322	1,383	297	4.6%
Chesterfield	445	104,040	18.39	1,790	1,913	180	6.9%

Municipality	FY96 Parcels	FY96 Average Value	FY96 Tax Rate	FY95 Average Tax Bill	FY96 Average Tax Bill	FY96 Hi-Lo Rank	FY95-96 % chg
Chicopee	10,656	97,866	14.77	1,419	1,445	286	1.8%
Chilmark	1,087	530,602	3.03	1,575	1,608	246	2.1%
Clarksburg	547	81,478	15.00	1,164	1,222	316	5.0%
Clinton	1,980	114,241	12.40	1,343	1,417	293	5.5%
Cohasset	2,104	307,649	14.50	4,111	4,461	13	8.5%
Colrain	524	97,738	14.84	1,404	1,450	285	3.3%
Concord	4,553	390,079	12.42	4,612	4,845	7	5.1%
Conway	546	141,776	17.60	2,320	2,495	90	7.5%
Cummington	295	113,019	13.70	1,460	1,548	264	6.0%
Dalton	1,834	109,404	16.48	1,850	1,803	203	-2.5%
Danvers	5,901	170,463	15.01	2,397	2,559	79	6.8%
Dartmouth	8,289	149,012	11.36	1,629	1,693	221	3.9%
Dedham	6,471	166,960	14.33	2,308	2,393	100	3.7%
Deerfield	1,308	133,453	13.35	1,488	1,782	208	19.8%
Dennis	10,806	129,913	8.36	1,055	1,086	321	2.9%
Dighton	1,648	121,989	14.80	1,663	1,805	202	8.5%
Douglas	1,794	115,539	15.40	1,742	1,779	209	2.1%
Dover	1,663	447,315	11.35	5,118	5,077	6	-0.8%
Dracut	6,496	119,999	16.80	1,935	2,016	158	4.2%
Dudley	2,395	106,821	10.07	1,028	1,076	323	4.7%
Dunstable	766	182,681	15.04	2,546	2,748	62	7.9%
Duxbury	4,608	227,537	17.30	3,909	3,936	18	0.7%
E Bridgewater	2,987	136,127	15.88	2,088	2,162	126	3.5%
E Brookfield	668	113,330	8.40	955	952	327	-0.3%
E Longmeadow	4,685	135,801	17.28	2,269	2,347	104	3.4%
Eastham	4,346	142,898	11.05	1,506	1,579	258	4.8%
Easthampton	3,571	106,841	14.83	1,595	1,584	257	-0.7%
Easton	4,673	163,914	16.93	2,680	2,775	60	3.5%
Edgartown	3,082	239,465	7.74	1,721	1,853	192	7.7%
Egremont	660	182,352	9.26	1,712	1,689	223	-1.3%
Erving	435	89,483	10.20	882	913	330	3.5%
Essex	906	187,303	11.43	2,094	2,141	127	2.2%
Everett	2,732	121,648	11.29	1,386	1,373	298	-0.9%
Fairhaven	5,008	114,513	13.35	1,487	1,529	271	2.8%
Fall River	7,146	110,732	10.10	1,010	1,118	320	10.7%
Falmouth	15,965	167,080	10.73	1,752	1,793	206	2.3%
Fitchburg	5,708	94,757	15.09	1,356	1,430	291	5.5%
Florida	263	59,975	13.24	797	794	333	-0.4%
Foxborough	3,624	165,546	15.33	2,479	2,538	86	2.4%
Framingham	12,811	167,623	17.34	2,808	2,907	52	3.5%
Franklin	6,182	175,489	13.71	2,188	2,406	97	10.0%
Freetown	2,458	129,496	12.80	1,612	1,658	232	2.9%
Gardner	3,386	87,827	17.26	1,428	1,516	273	6.2%
Gay Head	280	349,265	5.84	2,344	2,040	147	-13.0%
Georgetown	2,064	164,817	14.86	2,136	2,449	93	14.7%
Gill	374	102,945	13.70	1,338	1,410	294	5.4%
Gloucester	6,824	164,853	16.28	2,556	2,684	69	5.0%
Goshen	451	104,004	15.80	1,581	1,643	236	3.9%
Gosnold	121	305,636	2.50	775	764	334	-1.4%
Grafton	2,972	142,746	14.74	2,082	2,104	136	1.1%
Granby	1,619	126,689	14.03	1,693	1,777	210	5.0%
Granville	486	124,342	14.70	1,765	1,828	195	3.6%
Great Barrington	1,884	141,878	14.98	2,109	2,125	134	0.8%
Greenfield	3,801	97,435	19.48	1,809	1,898	183	4.9%
Groton	2,453	175,435	16.86	2,825	2,958	49	4.7%
Groveland	1,635	144,602	15.36	2,119	2,221	118	4.8%
Hadley	1,392	131,703	12.56	1,349	1,654	233	22.6%
Halifax	1,746	126,492	16.00	1,976	2,024	152	2.4%
Hamilton	2,251	204,206	16.21	3,193	3,310	36	3.7%
Hampden	1,621	142,871	16.56	2,271	2,366	102	4.2%

Municipality	FY96 Parcels	FY96 Average Value	FY96 Tax Rate	FY95 Average Tax Bill	FY96 Average Tax Bill	FY96 Hi-Lo Rank	FY95-96 % chg
Hancock	259	117,872	7.00	788	825	332	4.7%
Hanover	3,571	187,321	14.66	2,787	2,746	63	-1.5%
Hanson	2,721	127,998	17.05	2,212	2,182	123	-1.4%
Hardwick	545	103,119	14.98	1,464	1,545	266	5.5%
Harvard	1,484	260,094	13.48	3,526	3,506	30	-0.6%
Harwich	7,221	157,122	11.64	1,751	1,829	194	4.5%
Hatfield	916	142,283	11.37	1,484	1,618	245	9.0%
Haverhill	8,434	113,796	17.56	1,820	1,998	164	9.8%
Hawley	98	80,461	15.70	1,185	1,263	311	6.6%
Heath	370	84,249	19.36	1,075	1,631	239	51.7%
Hingham	5,924	245,891	15.64	3,530	3,846	21	9.0%
Hinsdale	708	96,654	13.68	1,348	1,322	306	-1.9%
Holbrook	2,851	108,432	18.65	1,872	2,022	154	8.0%
Holden	4,749	135,338	16.28	2,138	2,203	119	3.0%
Holland	1,233	100,808	15.94	1,551	1,607	247	3.6%
Holliston	3,841	183,494	16.68	2,958	3,061	45	3.5%
Holyoke	5,081	93,757	17.55	1,601	1,645	235	2.7%
Hopedale	1,252	136,739	19.36	2,523	2,647	72	4.9%
Hopkinton	3,248	206,356	14.51	2,748	2,994	48	9.0%
Hubbardston	1,048	108,952	14.65	1,546	1,596	253	3.2%
Hudson	3,947	136,315	16.38	2,238	2,233	117	-0.2%
Hull	3,661	118,401	18.96	2,125	2,245	114	5.6%
Huntington	709	97,100	14.65	1,449	1,423	292	-1.8%
Ipswich	3,379	184,426	13.85	2,443	2,554	82	4.5%
Kingston	3,050	136,000	15.71	2,070	2,137	131	3.2%
Lakeville	3,120	137,143	11.81	1,534	1,620	243	5.6%
Lancaster	1,551	139,516	13.10	1,736	1,828	197	5.3%
Lanesborough	1,145	106,993	14.92	1,562	1,596	252	2.2%
Lawrence	4,135	82,127	19.36	1,501	1,590	256	5.9%
Lee	1,674	114,328	14.72	1,647	1,683	224	2.2%
Leicester	2,634	99,770	15.35	1,471	1,531	269	4.1%
Lenox	1,511	155,203	13.50	2,034	2,095	137	3.0%
Leominster	7,241	108,860	17.36	1,890	1,890	186	0.0%
Leverett	613	140,589	18.99	2,512	2,670	70	6.3%
Lexington	8,758	306,125	14.01	4,056	4,289	16	5.7%
Leyden	236	130,754	19.17	2,369	2,507	89	5.8%
Lincoln	1,465	433,547	13.93	5,785	6,039	2	4.4%
Littleton	2,342	152,948	16.20	2,379	2,478	91	4.2%
Longmeadow	5,353	195,252	18.60	3,532	3,632	27	2.8%
Lowell	11,109	98,335	19.19	1,772	1,887	188	6.5%
Ludlow	5,191	112,490	15.68	1,742	1,764	214	1.3%
Lunenburg	2,946	123,153	16.60	1,956	2,044	145	4.5%
Lynn	10,774	98,235	17.76	1,749	1,745	216	-0.2%
Lynnfield	3,677	241,482	13.82	3,331	3,337	35	0.2%
Malden	5,364	127,058	15.75	1,964	2,001	163	1.9%
Manchester	1,465	398,798	11.39	4,336	4,542	10	4.8%
Mansfield	4,550	159,076	16.06	2,303	2,555	81	10.9%
Marblehead	5,953	271,417	11.98	3,144	3,252	40	3.4%
Marion	1,853	212,932	12.01	2,490	2,557	80	2.7%
Marlborough							
Marshfield	8,346	154,054	15.08	2,222	2,323	107	4.5%
Mashpee	5,513	142,248	14.16	1,967	2,014	160	2.4%
Mattapoisett	2,612	164,491	13.77	2,189	2,265	113	3.5%
Maynard	2,494	142,965	18.33	2,482	2,621	75	5.6%
Medfield	3,142	253,168	15.39	3,535	3,896	19	10.2%
Medford	7,756	152,772	15.11	2,253	2,308	108	2.4%
Medway	3,062	163,100	16.33	2,702	2,663	71	-1.4%
Melrose	6,260	171,184	16.42	2,704	2,811	58	4.0%
Mendon	1,302	151,074	13.41	1,936	2,026	151	4.6%
Merrimac	1,262	143,960	16.72	2,158	2,407	96	11.5%

Municipality	FY96 Parcels	FY96 Average Value	FY96 Tax Rate	FY95 Average Tax Bill	FY96 Average Tax Bill	FY96 Hi-Lo Rank	FY95-96 % chg
Methuen	9,533	122,355	16.45	1,860	2,013	162	8.2%
Middleborough	4,390	118,287	14.97	1,697	1,771	212	4.4%
Middlefield	183	90,468	16.32	1,324	1,476	281	11.5%
Middleton	1,472	186,892	12.90	2,094	2,411	95	15.1%
Milford	5,035	135,653	16.47	2,085	2,234	116	7.1%
Millbury	3,108	110,289	14.51	1,507	1,600	249	6.2%
Millis	1,878	160,788	17.14	2,634	2,756	61	4.6%
Millville	638	121,455	16.71	2,033	2,030	150	-0.1%
Milton	6,984	201,235	17.39	3,240	3,499	31	8.0%
Monroe	65	56,000	12.70	753	711	335	-5.6%
Monson	2,232	117,728	15.07	1,721	1,774	211	3.1%
Montague	1,830	96,631	13.69	1,269	1,323	305	4.3%
Monterey	631	181,107	8.26	1,387	1,496	278	7.9%
Montgomery	309	130,663	14.25	1,841	1,862	191	1.1%
Mt Washington	133	174,832	5.73	962	1,002	326	4.2%
Nahant	1,041	219,578	12.94	2,732	2,841	55	4.0%
Nantucket							
Natick	8,014	178,984	15.90	2,677	2,846	54	6.3%
Needham	8,155	259,689	13.06	3,327	3,392	34	2.0%
New Ashford	53	101,134	6.83	689	691	336	0.3%
New Bedford	11,423	100,186	13.27	1,268	1,329	304	4.8%
New Braintree	221	123,158	13.56	1,624	1,670	229	2.8%
New Marlboro	764	159,896	9.54	1,432	1,525	272	6.5%
New Salem	389	100,970	12.55	1,260	1,267	310	0.6%
Newbury	2,134	169,546	13.49	2,218	2,287	111	3.1%
Newburyport	3,919	155,247	16.65	2,394	2,585	78	8.0%
Newton	16,900	319,105	13.88	4,208	4,429	14	5.3%
Norfolk	2,557	193,057	16.14	3,183	3,116	42	-2.1%
N Adams	2,511	77,261	13.99	1,033	1,081	322	4.6%
N Andover	5,381	215,255	13.66	2,804	2,940	51	4.9%
N Attleboro	5,420	138,605	14.58	1,886	2,021	156	7.2%
N Brookfield	1,051	105,078	12.08	1,244	1,269	308	2.0%
N Reading	3,710	190,680	16.26	2,875	3,100	43	7.8%
Northampton	5,239	130,053	14.57	1,792	1,895	184	5.7%
Northborough	3,561	178,220	16.52	2,855	2,944	50	3.1%
Northbridge	2,517	117,485	13.95	1,571	1,639	237	4.3%
Northfield	946	100,016	15.15	1,494	1,515	275	1.4%
Norton	3,533	130,411	15.59	1,930	2,033	148	5.3%
Norwell	2,951	224,758	15.80	3,422	3,551	29	3.8%
Norwood	5,642	171,496	11.76	2,028	2,017	157	-0.5%
Oak Bluffs	2,890	158,543	12.23	1,880	1,939	174	3.1%
Oakham	504	130,627	10.98	1,434	1,434	288	0.0%
Orange	1,857	72,864	18.50	1,323	1,348	301	1.9%
Orleans	3,337	223,237	9.85	2,161	2,199	120	1.8%
Otis	1,357	144,404	7.40	1,027	1,069	324	4.1%
Oxford	3,115	103,414	15.43	1,544	1,596	254	3.4%
Palmer	2,809	99,515	16.31	1,522	1,623	242	6.6%
Paxton	1,262	150,579	15.74	2,335	2,370	101	1.5%
Peabody	10,358	152,833	9.62	1,418	1,470	283	3.7%
Pelham	427	149,037	18.07	2,529	2,693	68	6.5%
Pembroke	4,781	143,108	14.95	2,053	2,139	129	4.2%
Pepperell	2,479	145,474	14.57	1,985	2,120	135	6.8%
Peru	271	76,401	18.80	1,404	1,436	287	2.3%
Petersham	339	142,020	11.53	1,648	1,637	238	-0.7%
Phillipston	624	91,111	11.36	945	1,035	325	9.5%
Pittsfield	10,851	91,469	16.85	1,479	1,541	267	4.2%
Plainfield	229	112,619	13.24	1,529	1,491	279	-2.5%
Plainville	1,537	140,891	14.59	1,943	2,056	141	5.8%
Plymouth	14,662	107,474	20.22	2,112	2,173	125	2.9%
Plympton	825	142,607	17.73	2,354	2,528	87	7.4%
Princeton	1,062	164,885	16.86	2,842	2,780	59	-2.2%
Provincetown	765	168,070	11.98	1,940	2,013	161	3.8%
Quincy	13,481	140,928	14.54	2,018	2,049	142	1.5%
Randolph	6,841	126,054	15.50	1,966	1,954	170	-0.6%
Raynham	2,776	138,737	12.96	1,754	1,798	205	2.5%
Reading	6,342	199,810	16.38	3,147	3,273	38	4.0%
Rehoboth	2,796	166,771	11.79	1,900	1,966	167	3.5%
Revere	4,532	107,223	17.98	1,887	1,928	176	2.2%
Richmond	691	161,161	13.60	2,164	2,192	121	1.3%
Rochester	1,388	142,365	13.92	1,907	1,982	166	3.9%
Rockland	3,362	130,848	14.82	1,844	1,939	173	5.2%
Rockport	2,273	203,869	12.80	2,539	2,610	76	2.8%
Rowe	203	109,086	4.89	605	533	338	-11.9%
Rowley	1,258	170,528	14.22	2,330	2,425	94	4.1%
Royalston							
Russell	448	106,967	14.60	1,528	1,562	260	2.2%
Rutland	1,536	115,690	14.35	1,616	1,660	231	2.7%
Salem	4,584	139,358	14.65	1,914	2,042	146	6.7%
Salisbury	1,758	124,768	12.33	1,473	1,538	268	4.4%
Sandisfield	544	152,471	8.74	1,341	1,333	303	-0.6%
Sandwich	7,042	141,232	14.32	1,917	2,022	153	5.5%
Saugus	6,667	155,908	11.70	1,723	1,824	200	5.9%
Savoy	260	85,675	13.47	1,123	1,154	318	2.8%
Scituate	6,267	178,897	15.33	2,649	2,742	64	3.5%
Seekonk	4,266	145,203	12.47	1,752	1,811	201	3.4%
Sharon	4,903	188,786	19.40	3,613	3,662	24	1.4%
Sheffield	1,101	142,529	14.36	2,043	2,047	144	0.2%
Shelburne	426	116,970	13.68	1,487	1,600	250	7.6%
Sherborn	1,327	358,454	16.40	5,643	5,879	3	4.2%
Shirley	1,069	124,601	13.04	1,572	1,625	241	3.4%
Shrewsbury	7,319	153,630	13.84	2,029	2,126	133	4.8%
Shutesbury	732	129,353	18.99	2,332	2,456	92	5.3%
Somerset							
Somerville							
South Hadley	3,993	128,025	14.80	1,826	1,895	185	3.8%
Southampton	1,573	137,832	13.08	1,718	1,803	204	4.9%
Southborough	2,265	239,177	13.60	3,049	3,253	39	6.7%
Southbridge	2,406	92,999	17.12	1,587	1,592	255	0.3%
Southwick	2,443	115,721	14.66	1,632	1,696	220	3.9%
Spencer	2,702	103,249	11.20	1,062	1,156	317	8.9%
Springfield	25,090	76,066	20.33	1,491	1,546	265	3.7%
Sterling	1,919	146,291	14.90	2,182	2,180	124	-0.1%
Stockbridge	1,015	194,873	9.83	1,863	1,916	178	2.8%
Stoneham	4,805	170,773	16.50	2,729	2,818	57	3.3%
Stoughton	6,136	136,793	16.41	2,155	2,245	115	4.2%
Stow	1,724	205,641	17.69	3,545	3,638	25	2.6%
Sturbridge	2,334	122,119	17.50	2,028	2,137	130	5.4%
Sudbury	4,888	304,234	15.46	4,453	4,703	9	5.6%
Sunderland	646	130,021	15.50	1,811	2,015	159	11.3%
Sutton	2,254	126,952	15.02	1,849	1,907	181	3.1%
Swampscott	3,274	224,479	16.88	3,727	3,789	22	1.7%
Swansea	5,055	126,235	12.00	1,468	1,515	276	3.2%
Taunton	8,730	108,672	12.47	1,310	1,355	299	3.4%
Templeton	1,870	94,096	9.48	850	892	331	4.9%
Tewksbury	7,051	150,354	13.68	1,985	2,057	140	3.6%
Tisbury							
Tolland	445	147,266	4.16	607	613	337	1.0%
Topsfield	1,703	241,028	14.12	3,140	3,403	33	8.4%
Townsend	2,466	117,522	18.17	2,068	2,135	132	3.2%
Truro	1,667	233,949	6.92	1,557	1,619	244	4.0%
Tyngsborough	2,350	136,355	20.06	2,686	2,735	66	1.8%
Tyringham	230	198,405	8.64	1,702	1,714	218	0.7%
Upton	1,669	172,024	10.61	1,697	1,825	199	7.5%
Uxbridge	2,472	118,365	16.21	1,866	1,919	177	2.8%
Wakefield	5,940	171,123	15.36	2,464	2,628	74	6.7%
Wales	594	87,130	16.16	1,420	1,408	296	-0.8%
Walpole	5,532	182,880	14.45	2,446	2,643	73	8.1%
Waltham							
Ware	2,092	103,112	14.64	1,441	1,510	277	4.8%
Wareham	8,381	91,895	13.72	1,217	1,261	312	3.6%
Warren	988	90,269	14.94	1,477	1,349	300	-8.7%
Warwick	308	87,244	17.85	1,548	1,557	262	0.6%
Washington	239	114,858	10.91	1,124	1,253	313	11.5%
Watertown							
Wayland	3,895	281,054	18.42	5,048	5,177	5	2.6%
Webster	3,200	115,860	10.68	1,188	1,237	314	4.1%
Wellesley	7,173	372,530	11.61	4,224	4,325	15	2.4%
Wellfleet	2,556	186,339	8.33	1,547	1,552	263	0.3%
Wendell	311	82,312	20.52	1,629	1,689	222	3.7%
Wenham	958	249,968	14.85	3,532	3,712	23	5.1%
W Boylston	1,815	144,286	15.96	2,203	2,303	109	4.5%
W Bridgewater	1,788	136,059	14.31	1,800	1,947	171	8.2%
W Brookfield	1,101	112,775	13.07	1,231	1,474	282	19.7%
W Newbury	1,110	223,488	14.77	3,387	3,301	37	-2.5%
W Springfield	6,102	115,011	16.42	1,745	1,888	187	8.2%
W Stockbridge	599	171,129	14.90	2,535	2,550	84	0.6%
W Tisbury	1,150	250,632	9.28	2,027	2,326	106	14.8%
Westborough	3,314	184,515	16.40	2,938	3,026	46	3.0%
Westfield	8,328	119,289	15.64	1,798	1,866	190	3.8%
Westford	5,153	201,624	14.38	2,735	2,899	53	6.0%
Westhampton	534	134,132	16.30	2,130	2,186	122	2.6%
Westminster	2,140	115,330	13.51	1,462	1,558	261	6.6%
Weston	3,208	540,290	12.58	6,424	6,797	1	5.8%
Westport	4,723	177,197	9.05	1,566	1,604	248	2.4%
Westwood	4,180	243,963	14.91	3,410	3,637	26	6.7%
Weymouth	12,823	132,724	15.31	1,903	2,032	149	6.8%
Whately	473	140,073	17.14	2,297	2,401	99	4.5%
Whitman	2,975	116,813	20.00	2,295	2,336	105	1.8%
Wilbraham	4,177	158,362	16.11	2,429	2,551	83	5.0%
Williamsburg	676	129,054	14.50	1,767	1,871	189	5.9%
Williamstown	1,757	169,725	13.40	2,181	2,274	112	4.3%
Wilmington	6,203	153,066	12.83	1,867	1,964	168	5.2%
Winchendon	2,195	89,875	14.12	1,221	1,269	309	3.9%
Winchester	5,374	301,789	14.86	4,238	4,485	12	5.8%
Windsor	413	97,815	12.57	1,213	1,230	315	1.4%
Winthrop	2,241	146,611	13.24	1,905	1,941	172	1.9%
Woburn	7,398	150,733	10.60	1,450	1,598	251	10.2%
Worcester	21,705	96,280	17.41	1,643	1,676	226	2.0%
Worthington	460	120,290	13.72	1,632	1,650	234	1.1%
Wrentham	2,714	170,848	15.21	2,477	2,599	77	4.9%
Yarmouth	12,198	120,784	11.67	1,353	1,410	295	4.2%

Blanks indicate either the town's tax rate has not been set or it has residential exemptions. In both cases, it was not included in the analysis.

Table 1

FY96 Average Single Family Property Values and Tax Bills
➡ *continued from page three*

Our analysis shows that most communities saw only moderate increases in their FY96 average tax bills. 245 cities and towns saw their FY96 average tax bills increase by less than $150. 38 communities had a FY96 average tax bill that was lower than the previous year. In *Table 1*, we show each community's FY96 number of parcels, average value, tax rate, average property tax bill and tax bill rank. This table also includes the FY95 average tax bill and the percentage change in the average tax bill between FY95 and FY96.

Average Tax Bills in Constant Dollars

Since the implementation of Proposition 2½, the average single family property tax bill has more than doubled. However, when the FY96 median is put in constant FY82 dollars the FY96 median bill is $1,133, only 16.9 percent higher than the FY82 median bill. The chart in *Figure 1* illustrates the differences between the actual median tax bills and the median tax bills calculated in constant FY82 dollars.

New England Comparison

In an effort to give our analysis a broader perspective, we have supplemented this analysis with interstate property tax data from the Massachusetts Taxpayers Foundation (MTF). In *Figure 2*, we show the most current data available on the state and local property taxes as a percent of personal income for the six New England states. As is apparent by this data, New England residents spend a higher percentage of their income on property taxes than the US average. However, when comparing the 1993 data for just the New England states, Massachusetts residents spent the lowest percentage of personal income on state and local property taxes in the region. *Figure 2* also shows the national rankings of property tax burden relative to personal income. As this data indicates, in 1993 Massachusetts was ranked 21st; the situation was quite different in 1981 when Massachusetts had the 4th highest property taxes per $1,000 of personal income.

Figure 2

Comparing State and Local Property Taxes in New England

	1993		1981	
	Property Taxes as % of Personal Income	National Rank	Property Taxes as % of Personal Income	National Rank
Connecticut	4.6%	11	4.1%	15
Maine	4.8%	7	4.1%	14
Massachusetts	3.8%	21	5.2%	4
New Hampshire	6.4%	1	4.8%	5
Rhode Island	4.7%	9	4.5%	7
Vermont	5.3%	2	4.5%	8
US Average	**3.6%**		**3.1%**	

Source: Massachusetts Taxpayers Foundation "Interstate Tax Comparisons"

It is important to note that these types of comparisons do not take into consideration different states' property tax restrictions. For example, New Hampshire has no statutory restrictions on property taxes. In contrast, Massachusetts has significantly limited property tax rates and revenues with the implementation of Proposition 2½. Clearly, Proposition 2½ has contributed to Massachusetts decline in property tax burden relative to personal income. ■

Written by Kay M. Upham

CAFRs Awarded

The coveted Certificates of Achievement for Excellence in Financial Reporting for award winning Comprehensive Annual Financial Reports (CAFRs) were recently announced by the Government Finance Officers Association. This award program began in 1945. Today, some 50 plus years later only 1,339 recipients have been honored nationally. Foxborough and Boston are first time recipients joining Cambridge and Worcester who received CAFRs for the second time. These four communities are part of the select group of just six governmental entities in Massachusetts to receive the award this year. Finance Director Todd Hassett of Foxborough and Boston City Auditor Sally Glora should be congratulated for their efforts as leader of financial teams that prepared the award winning Comprehensive Annual Financial Reports.

The Massachusetts Water Pollution Abatement Trust and the Massachusetts Office of the Comptroller are the two other winners similarly honored. ■

DLS UPDATE

Teachers' Summer Pay Deferrals

As a reminder to those communities that participated in the Teachers' Summer Pay Deferral in FY92 and FY93, amortization of these deferrals is required to begin in FY97. As specified in the authorizing legislation (Ch. 336 of the Acts of 1991), communities are required to begin amortizing these deferrals in FY97 by raising each year in their tax rates or regional school budgets at least one-fifteenth of the remaining deferral amount until it has been completely paid off.

More information detailing the provisions and procedures of the Teachers' Summer Pay Deferral can be found in the Division of Local Services' Information Guideline Release (IGR) No. 91-105. Specific questions regarding the budgeting and accounting for the deferrals should be directed to your community's Bureau of Accounts field representative. ■

Education Reform Waivers for FY97

As has been the case in previous years, the FY97 state budget (Ch.151 Sec.589 of the Acts of 1996) provides municipalities with the opportunity to request adjustments to their minimum required contribution. These Education Reform waivers can temporarily or permanently reduce a municipality's required local contribution to its local and/or regional school districts. When a community applies for and meets the eligibility requirements, the Division of Local Services (DLS), in conjunction with the Department of Education, adjusts the net school spending requirements. These waivers do not affect the amount of state aid a municipality receives in FY97.

To be eligible for a FY97 Education Reform waiver, a community must meet one or more of the following four criteria:

- In FY96, a municipality used qualifying revenues — that are not available for use in FY97 — to support municipal operating expenditures.
- In FY97, a municipality uses revenues to support extraordinary, non-school related expenses that did not have to be funded in FY96.
- A municipality's FY97 Municipal Revenue Growth Factor (MRGF) is one and one-half times the statewide average MRGF and is deemed to be excessive.
- A municipality is in the first year of receiving School Building Assistance grant money for a new project. This condition would make the city or town eligible to seek recalculation of its excess debt service amount by excluding first year grant money from the excess debt service calculation.

Over the past few years, the number of communities applying for waivers has declined steadily. For example, in FY94, 49 communities applied for waivers. In FY96, the number of waiver applications dropped to only 14 municipalities and 2 regional school districts. This decrease in waiver applications may be due, in part, to the fact that many municipalities are spending at levels well above their minimum school spending requirements. To qualify for consideration of a FY97 waiver, municipalities and regional school districts must submit an application to the Division postmarked no later than October 1, 1996. Applications and guidelines regarding FY97 waivers were issued by the Division in Informational Guideline Release (IGR) 96-301. ■

FY97 Cherry Sheet Manual

The Division of Local Services is pleased to announce the publication and distribution of the FY97 Cherry Sheet Manual. This manual provides an in-depth description of each of the Cherry Sheet programs including funding formulas and statutory citations. A copy of the FY97 Cherry Sheet Manual is being mailed to the Mayor or Chairman of the Board of Selectmen of every Massachusetts city and town. Any municipal official can request additional copies by contacting Lisa Juszkiewicz at (617) 626-2386. Local officials can also retrieve Cherry Sheet program descriptions electronically through the DLS home page on the Internet. More information about accessing the DLS World Wide Web site can be found on page 8. ■

Western Municipal Law Seminar

West Springfield is once again the site of the Division of Local Services' Municipal Law Seminar serving communities in the western section of the Commonwealth. The seminar will be held on Friday, October 18, 1996 at the Ramada Hotel, 1080 Riverdale Street (Route 5). The first seminar was held in Framingham in September and was well received by the 350 plus participants.

Registration and coffee will be at 8:30 a.m. The morning session will begin promptly at 9:00 a.m. and run until 12:30 p.m. In the afternoon you will have your choice of attending workshops on a variety of topics. Registration is $10.00 and lunch is an additional, optional $18.00. Please make checks out to the Commonwealth of Massachusetts. A *Bulletin* was mailed to all cities and towns in August containing a registration form. If you have any questions please call Barbara LaVertue at (617) 626-2340. ■

Municipal Fiscal Calendar

September 15
Treasurer/Collector: *Compensating Balance Report*
If compensating balance accounts were maintained during the prior fiscal year, a report and account analysis schedules are required.

Accountant/Superintendent/School Committee: *Jointly Submit End of Year Report to the DOE*
Schedule 1 — determines compliance with prior year Net School Spending requirement.
Schedule 19 — determines compliance with current year Net School Spending requirement.

September 30
State Treasurer: *Notification of Quarterly Local Aid Payments on or Before September 30*
When local aid payments are transmitted to communities, the cover letter indicates what funds (e.g., Ch. 70, Lottery, Highway Fund) will be made available, less quarterly assessments (see Cherry Sheet attachment for details). The Town Treasurer should forward a copy of this letter to the Accountant for record keeping purposes.

October 1
Collector: *Mail First Semi-annual Tax Bills*

Taxpayer: *Last Date to File Application to Have Land Valued and Taxed as Agricultural/Horticultural Land or Recreational Land, M.G.L. Ch. 61A and Ch. 61B*

Taxpayer: *Last Day to File Abatement Applications*
According to M.G.L. Ch. 59, Sec. 59, applications for abatements are due for tax bills mailed by September 1, or 30 days after mailing.

October 15
DOE: *Notify Communities of Any Prior Year School Spending Deficiencies*

Superintendent: *Submit School Foundation Enrollment Report to DOE*

October 31
Accountant: *Submit Schedule A for Prior Fiscal Year*
This report is a statement of the revenues received, expenditures made and all other transactions related to the town's finances during the previous fiscal year.

The Schedule A classifies revenues and expenditures into detailed categories that will provide information essential for an analysis of revenues and expenditures generated by various departments. This data, like other financial information reported to DOR, is entered into DOR's Municipal Data Bank; as such, the Department may provide time series, comparative and other types of analyses at the request of a city or town. This information is also sent to the US Census Bureau and eliminates a prior federal reporting requirement. Failure to file by October 31 may result in withholding major distributions of state aid until the Schedule A is accepted by BOA.

Selectmen: *Begin Establishing Next Fiscal Year Budget Guidelines and Request Department Budgets*

Assessors: *Begin Work on Tax Rate Recapitulation Sheet (to set tax rate for quarterly tax bill communities)*
The town should begin gathering tax recap information in order to have enough time for the tax rate to be set and tax bills mailed by December 31. See August's Complete Tax Rate Recapitulation Sheet.

9M-9/96-D697BO4

Data Bank Highlight

New Report Free Cash & Stabilization Fund Trends

Your community's free cash will likely be certified in the coming weeks. It is a good time for local officials to review what their reserve trends have been over the long term. "Free Cash and Stabilization Fund Trends" is a new analysis of each community's free cash and stabilization fund balances. Presented in dollars and as a percentage of the budget, this report shows each year's data back to FY87.

To obtain Municipal Data Bank information contact: John Sanguinet at (617) 626-2355 for printed reports and data files; Burt Lewis at (617) 626-2358 for the On-Line Access System; or use ***http://www.magnet.state.ma.us/dor/dls*** *on the World Wide Web.* ■

City & Town

City & Town is published 11 times a year by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS World Wide Web site at **http://www.magnet.state.ma.us/dor/dls** or by writing to PO Box 9655, Boston, MA 02114-9655.

Marilyn H. Browne, Editor

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CITY & TOWN

Mitchell Adams, Commissioner
Harry M. Grossman, Acting Deputy Commissioner

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Brockton Public Schools' Energy Conservation Initiatives

Written by Kay M. Upham

As the winter months approach, many homeowners undertake energy conservation projects in an effort to reduce energy usage and to lower heating bills. While many local governments may not think of doing the same, the public sector can often utilize similar strategies to reduce utility costs in public buildings. In recent years, a number of local governments in Massachusetts have implemented cost effective energy conservation projects. In this article, we look at one local example, the Brockton Public School system, which has implemented a number of different energy conservation projects. Also, in an effort to assist other local governments in pursuing energy conservation initiatives, we describe a few federal and state sources of financial and technical assistance.

Since the early 1980s, the Brockton Public Schools have actively pursued several different energy conservation initiatives. One of their major energy conservation projects of the early 1990s was the installation of a computerized energy management system (EMS). Implementation of the EMS project began in 1991 and involved removing outdated systems, installing new building automation systems at different schools throughout the district, and linking the network of computers to a central computer at a remote location. One key aspect of the Brockton Public Schools' EMS system is that both central administrative and local school personnel were trained to use the system. In addition, the EMS system was designed to be flexible so that personnel at the local schools can adjust for variations in schedules and facility use. The EMS network and other conservation measures have resulted in significant cost and energy savings for the school system; the kilowatt hours used per year dropped from 8 million in 1980 to 5.5 million in 1995. Also, the continuous electronic monitoring of school facilities has resulted in fewer building emergencies which has further reduced facility maintenance costs.

Lighting improvements to Brockton HS will save $40,000 to $60,000 annually.

Another major energy conservation project of the Brockton Public Schools was an extensive upgrade to energy efficient lighting at the Brockton High School. The Brockton High School Lighting Retrofit Project involved retrofitting over 8,400 lighting fixtures and replacing approximately 15,000 lamps. In addition, nearly 8,500 magnetic ballasts in the lighting fixtures were replaced with more energy efficient electric ballasts. The total cost of this project was $329,660; Eastern Edison contributed $236,032, the federal government contributed $83,343 and the city of Brockton contributed $10,285. These lighting improvements to Brockton High School will save $40,000 to $60,000 annually.

As these Brockton Public School projects illustrate, municipal energy conservation projects can be cost effective. However, as Lewis Symynkywicz, Public Facilities Manager for the Brockton Public Schools said, "to be truly effective you need to achieve a good balance between building comfort and energy savings." Also, energy conservation projects often work best when they are designed to meet specific, predetermined objectives but are still flexible enough to accommodate needed project design changes. The success of previous Brockton Public Schools energy conservation projects has led to the development of a current project, which is still in the design stage, of converting two all-electric schools to natural gas. In addition, two new schools in the district are being built with an energy conservation design.

Sources of Assistance

In many cases, the major barrier to completing any type of capital improvement program is finding the funding for the project. The capital investment cost of retrofitting existing buildings often acts a great disincentive to energy conservation projects. However, the US Department of Energy has a number of different grant programs that provide funding for energy conservation and efficiency initia-

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LEGAL

in Our Opinion

Q: *Can a collector make a valid tax taking without public notice of the taking?*
A: No. A collector who wishes to perfect a tax lien must either make a tax sale under M.G.L. Ch.60 Sec.43 or a tax taking under M.G.L. Ch.60 Sec.53. Under the provisions of M.G.L. Ch.60 Secs. 40 and 42, a tax sale requires notice of the time and place of sale by publication and by posting in two or more convenient and public places. Generally, a tax taking also requires notice by posting in two or more public places, and notice by publication as set forth in M.G.L. Ch.60 Sec.40. State statute therefore requires that there be notice of any tax taking.

Q: *Can personal exemptions appear on real estate bills when they are issued?*
A: No. Pursuant to M.G.L. Ch.58 Sec.3 and M.G.L. Ch.60 Sec.3A the Commissioner of Revenue approves the format of tax bills. The Department has issued guidelines for semi-annual billing communities and quarterly tax billing communities for fiscal year 1997. The requirements and model bills for semi-annual and quarterly communities can be found in our Informational Guideline Releases (IGR 96-202 and IGR 96-201 respectively). In accordance with these guidelines, only the residential and small commercial exemption can appear on the first actual bill. Accordingly, personal exemptions should not be shown on real estate tax bills.

Q: *An attorney requested the town treasurer to issue a redemption certificate on tax title property since the collector had issued a municipal lien certificate which failed to list the tax taking. Should the treasurer comply with the request?*
A: No. A clean lien certificate if timely recorded does not operate to discharge a lien if an instrument of taking was previously recorded at the Registry of Deeds. M.G.L. Ch.60 Sec.23 states in pertinent part that a duly recorded lien certificate will operate to discharge a parcel from liens "except taxes, assessments, or portions thereof, rates and charges with respect to which there has been filed for record or registration evidence of a taking or a sale by the municipality. ..." The collector should not disclaim the taking, and the treasurer should not issue a redemption certificate since there is a perfected lien on this parcel.

Q: *A board of assessors received a copy of a deed which purported to convey a parcel held in trust. The name of the grantor was that of the person serving as trustee, but the deed did not recite that this individual was acting in his capacity as trustee. Should the assessors rely on the recorded deed and change their assessment records?*
A: Yes. The Supreme Judicial Court discussed in *Gerber v. Berstein*, 295 Mass. 132 (1936) the conveyance of real estate by a deed which was executed by the grantor individually and also in his capacity as trustee of the trust. The Court held that the official and individual capacities of a trustee are not separated. In the Court's view, the grantor owned the real estate irrespective of the capacity in which he held title. The Court ruled that title to the property was conveyed regardless of whether or not the conveyance was in violation of the terms of the trust and whether or not the grantee took title subject to the terms of the trust. In the case at hand, we advised the assessors to list the grantee as the current record owner since the grantor held legal title to the subject property. ■

Compiled by James Crowley

Brockton Public Schools
➡ *continued from page one*

tives. For example, over the past two years approximately 40 Massachusetts school districts and hospitals have received federal funds for energy efficiency projects through the Institutional Conservation Program (ICP). The ICP program is designed to award grants for energy efficiency improvements to public buildings. The Brockton High School lighting retrofit project and many of the system's EMS installations discussed in the preceding section were funded in part with ICP funds. Another US Department of Energy program is the Rebuild America program. This program awards technical and financial assistance awards to communities for large-scale energy efficiency retrofit projects. Information about these and other federal assistance programs is available through the Energy Efficiency and Renewable Energy Clearinghouse at (800) 363-3732.

At the state level, the Department of Energy Resources (DOER) provides assistance through a number of different programs. One such program, the Energy Engineering Program, is designed to provide technical assistance to local governments involved in energy conservation projects. While this program does not directly provide funding for these projects, it does assist local governments in obtaining third-party financing and provides technical services. DOER also administers the federal ICP program funds awarded to entities within Massachusetts. For more information about state assistance programs for energy conservation projects, local officials should contact DOER's Laura Merrill at (617) 727-4732. ■

Focus on Municipal Finance

Municipal Spending, FY95

Each year *City and Town* devotes a Focus article to recent trends in spending in Massachusetts municipalities. The source for the data is the Schedule A, a comprehensive summary of all revenues, expenditures and fund balances. The form is submitted to the Division's Bureau of Accounts by city auditors and town accountants in the fall, after the close of the fiscal year on June 30. Although individual communities' data are made public through the Municipal Data Bank as soon as they are fully edited, this month's Focus provides the first statewide analysis of how much money cities and towns spent in FY95, and what they spent it on.

A Look Back at FY95

Any analysis of municipal spending in Massachusetts must consider the revenues available to support it. In FY95, an upbeat Massachusetts economy, combined with significant state aid initiatives, contributed to another year of revenue stability. Locally, tax levies grew by 4.3 percent, in a year when the governmental inflation rate was 2.3 percent.[1] Local receipts, with budget estimates of $1.803 billion, materialized at $2.001 billion, including an unexpected $78.7 million increase in motor vehicle receipts (see the January 1996 *City and Town*).

Several state aid initiatives had a positive impact on local services and public works projects in FY95. The second year of education reform authorized $189.7 million in new Chapter 70 state aid to improve public schools. The continued commitment of the state administration and legislature to phase out the "lottery cap" resulted in $41.6 million in new lottery aid. Chapter 85 of the Acts of 1994 made $300 million in highway aid available during FY94 and FY95 for communities with eligible projects.

General Fund Expenditures

The Schedule A adheres to the UMAS (Uniform Municipal Accounting System) format, which contains five major funds: General, Special Revenue, Capital Projects, Enterprise and Trust. Spending activity in the latter four is supported primarily by state and federal grants, user fees, bonds, and other non-tax sources that are specifically targeted for particular purposes. While it is important to note what happens in those areas, expenditure analysis often centers on the General Fund, where nearly three-quarters of overall spending occurs.

Figure 1 reports the change in General Fund outlays between FY94 and FY95, in 13 UMAS functional categories. Overall, statewide municipal spending rose $430.8 million or 4.8 percent, from $8.961 billion in FY94, to $9.392 billion in FY95. The "Other Public Safety" category, comprised of ambulance, emergency, inspectional and related services not included in the police or fire departments, was the fastest-growing category at 9.2 percent. On the other end of the spectrum, Highway spending dropped by 12.7 percent. However, a closer look at the various items included in the Highway category suggests that the reduction was more likely a result of a mild winter in 1994-95, rather than any purposeful budget-cutting. FY94 Schedule A data reveal that it cost municipalities $86.4 million to clear the record-setting snowfalls of the winter of 1993-94. In contrast, the expense was in a more normal range ($34.1 million) during FY95.

The largest category of spending, Education, rose 6.9 percent, an increase of $276.3 million. This increase was not surprising given the amount of new Chapter 70 aid. Police (7.4 percent) and Health and Welfare (7.3 percent) also had significant increases in spending. There seemed to be little correlation between the rate of change

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Figure 1

General Fund Spending, FY94 and FY95
Massachusetts State Totals

Function	FY94	FY95	Change	Percent Change
Other Public Safety	130,136,954	142,079,148	11,942,194	9.2
Police	663,840,615	712,781,000	48,940,385	7.4
Health and Welfare	290,692,945	312,011,643	21,318,698	7.3
Education	3,984,759,429	4,261,068,576	276,309,147	6.9
Fire	526,649,413	562,127,431	35,478,018	6.7
Culture and Recreation	193,162,293	205,547,667	12,385,374	6.4
Debt Service	519,319,823	550,472,796	31,152,973	6.0
General Government	435,050,352	456,092,777	21,042,425	4.8
Intergovernmental	301,924,503	312,106,449	10,181,946	3.4
Other Public Works	382,729,171	395,076,685	12,347,514	3.2
Fixed Costs	1,121,081,152	1,117,637,443	-3,443,709	-0.3
Other	49,579,243	48,745,961	-833,282	-1.7
Highways	362,237,376	316,176,960	-46,060,416	-12.7
Total	**8,961,163,228**	**9,391,924,458**	**430,761,230**	**4.8**

Note: *Capital Outlay and Construction are not included.*
Data represents final figures for 350 of 351 cities and towns.

General Fund Expenditures, FY94 and FY95

	Total FY94	Total FY95	Percentage Change Total	Edu-cation	Police/ Fire	High-way
Abington	18,158,590	18,505,997	1.9	4.6	4.6	-16.8
Acton	27,788,618	28,685,368	3.2	3.6	9.3	-26.7
Acushnet	8,590,022	9,501,691	10.6	15.4	7.0	28.9
Adams	6,934,927	6,872,211	-0.9	-12.4	3.6	-8.0
Agawam	35,153,140	36,198,041	3.0	3.9	2.5	-0.9
Alford	607,511	578,042	-4.9	-9.6	2.3	-5.8
Amesbury	19,286,685	21,413,686	11.0	8.9	3.8	-12.2
Amherst	27,951,130	29,310,205	4.9	5.5	5.8	-10.3
Andover	54,649,522	57,661,085	5.5	6.5	13.3	-47.8
Arlington	57,619,465	57,715,039	0.2	-0.3	7.6	-31.9
Ashburnham	4,690,499	5,186,465	10.6	13.2	12.5	-2.9
Ashby	2,423,505	2,383,492	-1.7	-6.9	15.4	14.4
Ashfield	1,701,168	1,668,897	-1.9	-1.0	6.7	-3.0
Ashland	18,755,568	17,472,827	-6.8	4.0	5.0	-25.9
Athol	6,627,228	6,157,820	-7.1	5.1	4.2	-11.8
Attleboro	48,384,992	52,589,598	8.7	9.7	9.7	-11.7
Auburn	18,614,498	19,686,106	5.8	6.1	5.6	-6.0
Avon	7,731,583	7,793,572	0.8	6.3	5.7	-25.7
Ayer	12,372,597	12,753,374	3.1	4.7	5.1	7.9
Barnstable	57,792,102	60,374,750	4.5	6.5	5.3	-16.2
Barre	3,897,353	4,107,470	5.4	12.9	2.8	-0.1
Becket	1,981,177	2,052,084	3.6	5.5	9.4	3.1
Bedford	27,710,737	28,536,779	3.0	3.2	1.5	-18.5
Belchertown	12,795,132	14,011,950	9.5	10.9	19.9	-3.5
Bellingham	19,015,617	21,030,836	10.6	8.5	5.9	-18.1
Belmont	43,297,475	41,771,207	-3.5	4.7	-7.5	-43.7
Berkley	5,085,519	5,668,961	11.5	18.1	7.5	-2.3
Berlin	2,789,275	3,308,970	18.6	18.6	-0.3	7.3
Bernardston	1,692,044	1,749,494	3.4	6.9	2.1	3.5
Beverly	53,086,351	56,714,132	6.8	1.1	-3.1	2.8
Billerica	57,751,092	61,113,648	5.8	4.8	5.1	-16.2
Blackstone	5,680,843	6,107,962	7.5	13.6	3.6	-9.4
Blandford	1,271,576	1,139,479	-10.4	17.1	-36.3	-54.4
Bolton	4,874,261	5,292,390	8.6	12.4	28.9	7.5
Boston	1,321,352,540	1,389,292,112	5.1	4.9	14.4	-16.8
Bourne	22,265,413	23,221,033	4.3	5.0	11.4	-14.1
Boxborough	6,052,058	6,658,887	10.0	13.5	9.8	-17.9
Boxford	9,534,179	10,240,098	7.4	9.4	12.0	0.0
Boylston	4,697,177	4,553,625	-3.1	7.0	9.9	-22.2
Braintree	46,931,062	48,986,682	4.4	6.9	5.8	-7.5
Brewster	16,328,853	16,828,169	3.1	4.2	5.3	-11.6
Bridgewater	20,150,686	18,067,247	-10.3	-15.2	8.7	-8.6
Brimfield	3,390,888	4,112,391	21.3	9.8	6.8	-4.1
Brockton	126,778,461	132,348,815	4.4	10.7	9.4	-29.0
Brookfield	2,988,293	3,547,007	18.7	12.3	-0.5	-5.5
Brookline	100,199,449	106,574,410	6.4	5.7	1.7	-65.7
Buckland	1,817,244	1,842,957	1.4	-1.8	-3.5	7.4
Burlington	47,806,668	48,724,790	1.9	4.0	6.0	-24.2
Cambridge	209,295,156	207,421,558	-0.9	3.3	-0.9	-22.0
Canton	27,781,079	29,337,754	5.6	4.5	4.6	-18.2
Carlisle	9,199,904	9,651,828	4.9	7.1	5.3	9.9
Carver	15,647,439	16,778,469	7.2	8.1	10.7	-11.4
Charlemont	1,371,432	1,221,839	-10.9	-15.3	13.4	-17.0
Charlton	6,757,015	6,793,216	0.5	5.7	0.7	-30.3
Chatham	14,918,367	15,161,713	1.6	2.2	2.9	15.3
Chelmsford	48,026,865	49,136,099	2.3	4.4	3.6	-15.9
Chelsea	42,840,372	58,361,674	36.2	10.1	13.5	8.1
Cheshire	2,235,089	2,221,534	-0.6	5.0	5.4	-16.1
Chester	1,182,357	1,161,341	-1.8	-3.7	2.5	13.3
Chesterfield	1,153,080	1,140,587	-1.1	-1.7	32.0	-9.4

	Total FY94	Total FY95	Percentage Change Total	Edu-cation	Police/ Fire	High-way
Chicopee	64,932,371	69,281,577	6.7	7.6	7.5	-16.9
Chilmark	2,534,256	2,521,008	-0.5	8.2	-1.4	-14.0
Clarksburg	1,770,440	1,890,467	6.8	8.2	28.3	11.7
Clinton	15,295,268	16,448,220	7.5	9.4	3.6	-22.3
Cohasset	12,997,830	13,599,604	4.6	5.7	3.8	-23.7
Colrain	1,863,365	1,556,253	-16.5	-5.2	16.0	143.6
Concord	30,413,351	31,670,777	4.1	5.9	2.1	-27.7
Conway	2,246,927	2,393,303	6.5	11.2	-13.3	29.8
Cummington	959,069	1,024,787	6.9	11.0	20.3	-18.9
Dalton	6,582,744	6,966,098	5.8	6.5	1.3	-3.1
Danvers	44,425,465	42,587,267	-4.1	1.7	8.5	-15.4
Dartmouth	28,954,747	28,419,073	-1.9	5.6	7.3	-4.0
Dedham	37,667,164	37,927,392	0.7	1.2	-0.7	-16.2
Deerfield	5,915,209	6,096,784	3.1	7.2	1.4	-5.2
Dennis	21,538,195	21,650,125	0.5	0.4	1.8	-12.3
Dighton	5,112,420	5,395,754	5.5	9.2	0.1	-7.0
Douglas	7,416,538	7,744,592	4.4	9.4	5.6	-24.9
Dover	10,206,139	10,217,134	0.1	7.6	0.9	-20.6
Dracut	24,243,769	24,705,926	1.9	0.6	12.5	-14.9
Dudley	5,492,088	4,922,058	-10.4	-3.9	-4.9	0.3
Dunstable	2,661,186	2,638,311	-0.9	0.0	0.4	-15.4
Duxbury	25,256,498	25,354,635	0.4	4.7	5.6	1.3
E Bridgewater	16,469,906	16,874,124	2.5	4.4	10.2	5.6
E Brookfield	1,410,327	1,409,737	0.0	25.8	-2.0	-52.5
E Longmeadow	17,771,981	18,676,056	5.1	11.4	1.6	-26.2
Eastham	9,483,167	10,157,393	7.1	13.8	5.2	-27.2
Easthampton	16,334,813	17,396,319	6.5	5.9	11.1	8.7
Easton	24,243,797	25,581,490	5.5	7.3	14.7	-12.9
Edgartown	10,277,690	11,551,275	12.4	5.2	-0.1	81.2
Egremont	1,989,599	1,955,012	-1.7	10.5	6.0	-31.0
Erving	2,543,218	2,560,476	0.7	6.7	-4.5	-6.2
Essex	3,923,377	4,085,469	4.1	6.1	2.1	-6.4
Everett	58,083,942	62,182,994	7.1	11.3	13.2	-0.4
Fairhaven	16,625,804	18,058,952	8.6	8.1	9.8	28.1
Fall River	110,918,008	116,060,248	4.6	9.8	7.3	-8.9
Falmouth	48,218,691	49,603,044	2.9	4.5	7.9	-9.0
Fitchburg	49,129,314	54,200,716	10.3	18.5	5.6	-23.6
Florida	1,106,628	1,369,071	23.7	10.3	237.5	96.8
Foxborough	20,860,529	21,821,085	4.6	7.9	3.7	-15.0
Framingham	90,307,477	94,993,429	5.2	4.4	1.7	-17.8
Franklin	26,063,584	28,334,689	8.7	8.7	11.5	-15.2
Freetown	8,001,709	8,530,506	6.6	8.7	3.2	14.5
Gardner	21,296,583	23,056,923	8.3	11.4	4.3	7.3
Gay Head	1,085,462	1,127,707	3.9	11.1	11.3	-23.4
Georgetown	7,976,974	8,305,714	4.1	8.1	7.4	-24.9
Gill	1,123,994	1,166,972	3.8	6.5	4.5	-5.5
Gloucester	36,874,569	39,589,199	7.4	10.8	8.6	-11.8
Goshen	995,194	952,584	-4.3	1.4	-0.6	-6.8
Gosnold	461,475	490,806	6.4	11.9	-22.4	-16.7
Grafton	13,578,184	14,886,326	9.6	5.7	-0.7	-22.3
Granby	6,498,699	6,639,565	2.2	4.4	0.2	-10.8
Granville	2,170,853	2,319,319	6.8	8.8	5.4	-23.3
Great Barrington	8,769,718	8,747,818	-0.2	-5.8	6.0	0.6
Greenfield	24,647,356	25,323,579	2.7	4.5	5.5	-8.6
Groton	10,105,465	10,229,534	1.2	3.7	8.7	-14.9
Groveland	5,193,058	5,602,986	7.9	24.8	9.0	-18.2
Hadley	5,594,963	5,082,770	-9.2	-8.3	-4.5	-42.4
Halifax	7,273,225	7,740,489	6.4	8.2	15.3	-14.0
Hamilton	9,555,089	9,760,702	2.2	5.2	8.9	-16.4
Hampden	5,595,834	5,038,146	-10.0	-10.3	8.3	3.8

	Total FY94	Total FY95	Percentage Change Total	Edu-cation	Police/ Fire	High-way
Hancock	794,969	818,005	2.9	10.9	-7.7	-8.7
Hanover	18,231,512	19,250,336	5.6	6.7	8.1	-14.5
Hanson	9,715,127	10,127,478	4.2	7.1	5.0	-11.8
Hardwick	2,039,068	2,119,474	3.9	9.8	10.6	-24.3
Harvard	9,608,719	9,854,274	2.6	3.4	10.5	14.1
Harwich	22,594,741	23,561,097	4.3	10.0	-1.0	-13.4
Hatfield	3,528,665	3,732,653	5.8	7.3	17.8	-6.0
Haverhill	64,875,834	70,216,839	8.2	11.4	7.5	-14.3
Hawley	388,843	382,724	-1.6	6.0	-30.3	-6.6
Heath	1,060,782	996,148	-6.1	-15.4	5.6	-4.1
Hingham	30,213,660	31,133,540	3.0	6.1	7.7	-24.6
Hinsdale	1,668,387	1,734,613	4.0	4.3	23.9	-4.7
Holbrook	14,453,123	15,327,691	6.1	16.8	4.2	-6.6
Holden	16,659,465	15,945,433	-4.3	-7.7	8.5	-17.1
Holland	2,384,967	2,712,237	13.7	11.2	24.5	44.6
Holliston	18,710,121	19,107,419	2.1	5.2	4.5	-23.6
Holyoke	65,109,112	69,901,728	7.4	10.7	1.4	-3.9
Hopedale	6,724,475	6,929,391	3.0	5.0	7.6	-21.2
Hopkinton	15,790,559	15,891,210	0.6	11.0	3.9	-18.6
Hubbardston	2,728,065	2,647,076	-3.0	-0.5	16.0	-38.7
Hudson	24,899,032	25,991,559	4.4	5.2	3.4	-10.4
Hull	16,703,217	16,865,818	1.0	2.2	-1.5	-22.3
Huntington	1,645,306	1,619,632	-1.6	-3.1	-10.8	-1.7
Ipswich	16,868,194	17,301,704	2.6	3.4	6.0	-19.5
Kingston	12,047,513	13,517,345	12.2	12.0	5.1	-8.7
Lakeville	8,339,009	8,710,069	4.4	8.9	0.5	-24.3
Lancaster	5,895,470	4,966,819	-15.8	-17.3	3.6	-14.6
Lanesborough	3,917,683	4,190,412	7.0	7.0	6.6	2.7
Lawrence	91,462,109	101,982,395	11.5	16.0	2.0	-38.4
Lee	8,078,291	8,432,342	4.4	6.4	-4.3	-11.6
Leicester	10,322,002	12,272,982	18.9	12.8	1.5	-6.6
Lenox	8,099,589	8,602,582	6.2	3.4	5.1	-8.2
Leominster	38,772,447	41,001,408	5.7	4.7	6.6	-9.9
Leverett	1,984,145	2,190,680	10.4	8.9	33.6	6.6
Lexington	53,876,097	56,763,453	5.4	8.2	3.9	-9.9
Leyden	727,873	789,460	8.5	5.8	20.4	0.2
Lincoln	12,548,323	12,805,702	2.1	1.8	-4.8	34.5
Littleton	11,611,512	11,931,066	2.8	3.5	7.2	11.2
Longmeadow	23,805,450	24,356,626	2.3	3.0	5.5	-11.1
Lowell	141,749,716	150,310,698	6.0	12.6	5.5	0.9
Ludlow	23,516,026	24,045,081	2.2	6.2	9.1	-15.6
Lunenburg	10,562,675	10,872,329	2.9	11.8	1.5	-18.8
Lynn	119,740,166	129,048,502	7.8	14.0	7.4	-13.8
Lynnfield	16,510,446	16,944,394	2.6	5.5	0.1	-17.6
Malden	74,050,279	76,611,528	3.5	4.8	8.9	-6.0
Manchester	9,037,394	9,192,198	1.7	4.0	3.5	-17.5
Mansfield	27,532,607	28,814,819	4.7	8.9	9.8	-5.2
Marblehead	27,400,183	27,952,547	2.0	3.3	1.4	-8.1
Marion	7,919,216	8,457,509	6.8	7.7	12.1	2.9
Marlborough	44,172,835	46,801,412	6.0	6.7	4.4	-13.5
Marshfield	29,479,708	30,261,278	2.7	6.1	14.2	-11.6
Mashpee	18,525,644	19,713,689	6.4	10.3	12.2	-15.3
Mattapoisett	7,902,623	8,487,429	7.4	6.5	17.9	11.9
Maynard	15,984,954	16,549,752	3.5	6.5	-0.7	-6.0
Medfield	16,428,282	17,346,477	5.6	8.5	11.9	-13.4
Medford	69,689,037	71,814,530	3.0	5.9	3.9	92.6
Medway	14,794,608	15,317,502	3.5	7.5	9.4	-7.6
Melrose	35,706,874	36,192,219	1.4	1.3	5.6	-20.2
Mendon	3,836,007	4,053,628	5.7	9.3	-2.4	-15.6
Merrimac	4,921,297	6,152,508	25.0	16.1	12.8	-8.8

	Total FY94	Total FY95	Percentage Change Total	Edu-cation	Police/ Fire	High-Way
Methuen	48,292,909	51,349,078	6.3	10.1	1.5	-5.3
Middleborough	23,678,968	25,568,128	8.0	16.4	3.3	-5.1
Middlefield	505,879	510,373	0.9	0.8	-28.5	7.0
Middleton	6,985,413	7,398,291	5.9	9.9	7.1	-5.6
Milford	33,312,130	34,966,275	5.0	6.1	7.7	-23.4
Millbury	13,540,708	14,012,501	3.5	6.6	20.0	-4 7
Millis	10,490,700	10,599,704	1.0	5.4	8.3	-14.6
Millville	1,948,679	1,937,750	-0.6	4.5	2.4	-39.8
Milton	40,102,834	41,194,776	2.7	3.1	5.9	-6.8
Monroe	287,174	292,315	1.8	12.2	-39.8	11.1
Monson	10,245,292	11,020,986	7.6	14.2	9.1	-13.6
Montague	7,225,753	7,495,317	3.7	11.3	0.1	-2.7
Monterey	1,210,089	1,557,134	28.7	33.2	22.7	71.2
Montgomery	683,676	764,233	11.8	17.9	33.8	-5.5
Mt Washington	264,067	277,846	5.2	21.6	17.5	-4.4
Nahant	5,638,513	5,792,798	2.7	10.5	-3.5	8.0
Nantucket	26,942,630	28,161,164	4.5	3.6	5.5	15.6
Natick	49,196,485	51,867,062	5.4	9.0	4.8	-16.8
Needham	52,993,391	55,274,272	4.3	6.3	11.6	-26.2
New Ashford	237,777	236,760	-0.4	0.3	-11.2	-23.2
New Bedford	133,648,671	143,377,959	7.3	12.7	7.7	5.3
New Braintree	739,790	730,337	-1.3	6.9	-4.1	-24.5
New Marlborough	1,852,437	1,950,752	5.3	5.9	80.9	3.2
New Salem	1,003,470	1,038,467	3.5	13.6	14.9	-4 1
Newbury	7,085,292	9,020,986	27.3	-1.8	7.4	5.6
Newburyport	23,211,332	24,713,234	6.5	10.0	0.6	-4 4
Newton	136,435,685	132,927,356	-2.6	2.3	-3.7	-17.6
Norfolk	11,108,943	12,400,599	11.6	15.1	10.4	-11.8
N Adams	21,181,323	22,756,809	7.4	10.5	1.1	-8.9
N Andover	33,009,509	34,720,765	5.2	9.3	5.5	-11.4
N Attleboroug	29,022,663	30,888,614	6.4	6.5	9.3	-10.1
N Brookfield	4,817,459	5,364,252	11.4	15.9	5.6	-18.5
N Reading	19,149,641	19,927,186	4.1	6.2	7.3	-14.8
Northampton	38,313,769	39,690,294	3.6	6.9	5.8	-14.4
Northborough	17,444,408	18,130,585	3.9	5.6	4.3	-8.9
Northbridge	12,601,634	13,774,521	9.3	13.5	7.9	4.5
Northfield	2,919,084	3,145,733	7.8	5.0	-2.1	15.5
Norton	17,406,459	17,979,852	3.3	7.5	15.5	-3.1
Norwell	16,627,715	16,131,712	-3.0	-1.9	0.7	-26.6
Norwood	69.875,641	72,657,968	4.0	4.6	4.4	-8.2
Oak Bluffs	7,131,075	8,705,959	22.1	9.2	15.0	10.5
Oakham	1,257,234	1,156,299	-8.0	-7.8	4.2	-14.1
Orange	9,161,631	9,444,380	3.1	9.4	5.7	-4.1
Orleans	13,435,378	13,487,079	0.4	16.9	11.7	-25.0
Otis	2,128,980	2,055,246	-3.5	6.6	7.1	-31.3
Oxford	13,580,266	14,764,138	8.7	9.4	2.3	14.1
Palmer	16,383,382	17,681,636	7.9	13.8	2.9	-8.3
Paxton	6,628,823	6,427,762	-3.0	-4.1	13.1	18.5
Peabody	62,491,067	67,636,803	8.2	13.7	0.8	-29.6
Pelham	1,519,729	1,644,950	8.2	9.7	17.2	9.9
Pembroke	18,325,158	18,748,892	2.3	10.5	0.7	-40.6
Pepperell	8,058,208	8,324,370	3.3	4.4	7.6	-11.5
Peru	763,118	774,297	1.5	2.7	6.1	-14.3
Petersham	1,150,294	1,299,557	13.0	24.6	-8.6	-13.3
Phillipston	964,951	973,962	0.9	0.1	18.7	13.3
Pittsfield	66,683,062	71,274,845	6.9	14.1	19.7	38.3
Plainfield	768,016	798,868	4.0	3.2	-21.7	1.1
Plainville	8,322,702	8,837,859	6.2	15.5	10.3	-12.9
Plymouth	67,131,914	72,858,705	8.5	12.2	6.5	-14.2
Plympton	3,054,961	3,264,020	6.8	11.0	15.0	-4.7

	Total FY94	Total FY95	Percentage Change Total	Edu-cation	Police/ Fire	High-Way
Princeton	4,529,895	4,467,016	-1.4	0.8	3.7	-16.0
Provincetown	12,165,283	12,992,603	6.8	7.7	6.2	1.5
Quincy	132,893,023	138,396,068	4.1	5.4	4.0	-26.0
Randolph	39,007,139	39,879,678	2.2	2.7	2.3	-22.5
Raynham	11,790,608	10,629,744	-9.8	-15.2	15.5	2.7
Reading	32,400,757	33,942,491	4.8	6.4	11.6	-21.4
Rehoboth	8,290,136	8,488,494	2.4	4.3	3.3	-16.1
Revere	61,176,349	65,626,083	7.3	8.1	4.7	-21.0
Richmond	2,298,259	2,384,357	3.7	5.3	21.1	-5.7
Rochester	6,043,050	6,363,009	5.3	6.9	19.3	-7.8
Rockland	19,537,099	21,976,755	12.5	14.3	5.1	-16.0
Rockport	13,443,239	13,717,694	2.0	5.7	-1.4	-30.5
Rowe	1,589,365	1,561,036	-1.8	0.8	-0.2	-4.2
Rowley	6,211,775	6,099,761	-1.8	7.9	4.5	-28.3
Royalston	665,962	706,944	6.2	-21 4	33.1	-0.3
Russell	1,348,661	1,385,060	2.7	-0.3	27.3	-8.4
Rutland	5,171,344	4,555,815	-11.9	-15.9	2.3	-8.2
Salem	52,445,536	57,605,442	9.8	4.0	5.4	-24.2
Salisbury	8,315,803	7,882,366	-5.2	-5.9	8.1	-16.8
Sandisfield	1,078,397	1,126,181	4 4	6.2	178.4	-8.1
Sandwich	27,042,217	27,976,315	3.5	7.3	10.7	-17.4
Saugus	33,596,929	35,239,071	4.9	5.4	12.0	-11.5
Savoy	737,741	832,979	12.9	23.9	3.2	-11.2
Scituate	24,697,652	25,005,009	1.2	5.7	2.9	-25.7
Seekonk	17,160,585	17,836,143	3.9	9.1	3.1	-6.0
Sharon	24,547,151	28,088,818	14.4	13.1	-3.8	-11.0
Sheffield	3,928,095	4,133,426	5.2	3.9	0.9	3.4
Shelburne	1,840,514	1,811,576	-1.6	1.5	-7.5	3.6
Sherborn	8,999,161	9,349,753	3.9	7.1	2.0	-17.7
Shirley	5,504,693	6,241,044	13.4	11.0	4.6	-10.0
Shrewsbury	31,675,631	32,970,963	4.1	4.4	7.7	3.3
Shutesbury	2,125,606	2,304,393	8.4	4.8	3.0	-4.3
Somerset	23,700,138	23,891,166	0.8	3.0	1.0	-19.2
Somerville	103,313,065	107,720,480	4.3	4.6	5.7	24.7
South Hadley	16,545,301	17,853,515	7.9	7.2	7.7	-5.3
Southampton	4,861,597	5,129,633	5.5	6.3	10.4	-13.8
Southborough	10,459,806	11,176,541	6.9	8.9	6.2	-9.8
Southbridge	19,806,611	21,959,632	10.9	12.6	12.2	-31.4
Southwick	6,573,285	6,832,561	3.9	5.8	4.3	-21.4
Spencer	6,244,744	6,827,188	9.3	22.0	3.5	-13.5
Springfield	265,974,743	278,022,962	4.5	7.9	0.0	-38.6
Sterling	11,656,312	11,687,864	0.3	4.5	-1.5	-22.3
Stockbridge	3,091,936	3,298,319	6.7	9.7	-2.1	-12.4
Stoneham	28,498,365	29,289,750	2.8	2.8	-1.8	-3.0
Stoughton	33,535,616	35,459,534	5.7	4.3	19.1	-10.2
Stow	8,145,495	7,938,029	-2.5	3.1	2.5	-5.5
Sturbndge	9,919,115	10,459,279	5.4	8.0	5.7	-15 2
Sudbury	28,754,993	30,415,722	5.8	9.1	5.2	-8.0
Sunderland	3,532,669	3,627,965	2.7	2.6	-4.9	-1.5
Sutton	9,363,436	9,745,050	4.1	8.5	-5.3	-16.7
Swampscott	24,467,533	24,647,143	0.7	4 2	-0.2	-76.4
Swansea	16,503,787	16,927,565	2.6	2.9	5.2	-13.7
Taunton	66,009,326	67,799,589	2.7	3.1	10.1	33.3
Templeton	3,785,774	3,889,313	2.7	11.8	2.5	-20.4
Tewksbury	38,818,829	40,102,940	3.3	6.8	8.7	7.9
Tisbury	8,963,059	9,386,194	4.7	3.0	6.7	24.8
Tolland	657,272	451,198	-31.4	-1.8	42.9	-61 4
Topsfield	7,651,753	7,893,174	3.2	3.0	4.7	-14.7
Townsend	7,288,849	7,891,668	8.3	13.7	13.3	-2.1
Truro	4,854,804	5,220,229	7.5	9.2	-1.1	12.6

	Total FY94	Total FY95	Percentage Change Total	Edu-cation	Police/ Fire	High-Way
Tyngsborough	12,492,654	13,319,063	6.6	12.3	7.3	-5.0
Tyringham	638,237	667,108	4.5	-0.5	52.5	-3.1
Upton	4,944,425	5,055,958	2.3	13.8	1.0	-22.1
Uxbridge	12,336,653	13,248,339	7.4	13.9	3.8	-13.4
Wakefield	33,452,184	35,350,615	5.7	4.9	1.5	-9.6
Wales	1,749,381	1,847,851	5.6	4.8	10.0	27.2
Walpole	27,235,726	28,702,964	5.4	22.1	5.6	-18.2
Waltham	67,749,878	72,571,934	7.1	3.7	16.7	-21.1
Ware	10,613,813	11,329,641	6.7	10.2	-0.6	-4.2
Wareham	25,809,760	27,692,571	7.3	14.4	4.4	-12.6
Warren	3,266,764	3,399,688	4.1	19.0	7.1	-14.4
Warwick	813,512	790,454	-2.8	2.9	17.5	-11.0
Washington	611,925	641,231	4.8	7.4	-10.9	19.1
Watertown	50,724,117	51,333,093	1.2	2.6	-7.8	-33.9
Wayland	25,713,806	27,561,316	7 2	8.4	9.1	-6.9
Webster	15,829,843	16,348,370	3.3	3.9	14.0	1.1
Wellesley	43,219,275	45,812,646	6.0	4.7	7.9	-19.9
Wellfleet	6,600,388	7,062,739	7.0	10.8	3.9	-2.7
Wendell	1,100,926	1,166,213	5.9	1.7	49.9	20.6
Wenham	5,005,173	5,166,245	3.2	4.4	-0.1	-6.3
W Boylston	7,102,951	7,512,251	5.8	6.7	9.4	-5.0
W Bridgewater	9,410,104	9,555,591	1.5	3.2	3.5	-16.4
W Brookfield	2,536,051	2,315,072	-8.7	13.0	-19.7	-8.4
W Newbury	4,720,004	4,545,653	-3.7	-5.8	1.6	-5.7
W Springfield	38,355,525	40,040,000	4.4	10.5	10.0	-0.5
W Tisbury	4,957,234	5,218,476	5.3	22.0	13.9	-50.6
Westborough	25,669,622	27,451,917	6.9	5.7	1.3	0.2
Westfield	48,686,104	52,869,866	8.6	11.4	7.1	-1.3
Westford	25,102,340	26,161,106	4.2	6.7	10.4	-8.0
Westhampton	1,892,388	1,920,150	1.5	4.8	-11.2	-1.1
Westminster	5,728,113	6,222,661	8.6	11.0	14 3	-3.2
Weston	26,579,498	27,886,464	4.9	6.3	2.4	-24.6
Westport	14,541,112	15,086,617	3.8	8.9	7.1	-14.8
Westwood	24,995,449	25,676,988	2.7	5.3	1.5	-23.6
Weymouth	58,392,222	60,434,708	3.5	8.0	0.5	-21.8
Whately	2,460,937	2,324,442	-5.5	1.3	-2.2	-35.4
Whitman	11,453,734	11,654,861	1.8	4.2	10.4	-12.0
Wilbraham	15,319,717	14,747,413	-3.7	-1.0	8.4	-19.5
Williamsburg	2,503,864	2,755,951	10.1	10.9	-3.3	3.3
Williamstown	7,965,087	8,225,242	3.3	6.0	0.5	4.4
Wilmington	33,615,439	33,927,013	0.9	6.3	1.6	-12.5
Winchendon	11,327,020	12,597,933	11.2	15.7	1.7	4.5
Winchester	36,987,611	38,639,437	4.5	6.3	-0.6	4.3
Windsor	832,793	854,707	2.6	5.5	-6.9	-5.5
Winthrop	20,838,310	21,197,045	1.7	0.1	2.1	-16.4
Woburn	57,115,726	58,943,784	3.2	6.2	2.2	-14.2
Worcester	228,441,439	245,253,834	7 4	8.7	15.2	-21.9
Worthington	1,151,170	1,179,202	2.4	4.4	29.5	-6.8
Wrentham	10,656,727	11,543,744	8.3	15.0	1.0	-18.2
Yarmouth	29,650,432	30,634.369	3.3	6.2	0.9	-18.8
State Total	8,961,163,228	9,391,924,458	4.8	6.9	7.1	-12.7

Note: 350 of 351 communities have final data for both years.

Table 1

Municipal Spending, FY95
➡ *continued from page three*

Figure 2

FY94 – FY95 Spending by Fund and Object
Massachusetts State Totals

FY94	General Fund	Special Revenue	Capital Projects	Enterprise Funds	Trust Funds	Total
Personal Services	5,962,157,918	450,192,812	1,545,639	247,478,923	78,104,819	6,739,480,111
Purchase of Services	1,051,101,822	262,313,036	53,054,169	333,634,024	114,211,948	1,814,314,999
Intergovernmental	661,271,762	32,025,214	51,657	52,136,930	0	745,485,563
Construction and Capital Outlay	149,417,223	84,032,413	489,584,473	86,387,930	2,040,543	811,462,582
Debt Service	519,319,823	26,279,637	96,198,271	56,340,523	3,887,985	702,026,239
Other	767,311,903	296,301,809	33,282,795	399,004,164	148,762,408	1,644,663,079
Total	9,110,580,451	1,151,144,921	673,717,004	1,174,982,494	347,007,703	12,457,432,573
FY95						
Personal Services	6,239,506,172	465,120,339	2,882,759	277,856,188	86,658,710	7,072,024,168
Purchase of Services	1,045,875,510	255,127,111	77,562,848	280,258,421	115,521,500	1,774,345,390
Intergovernmental	741,109,569	28,397,265	71,085	63,606,220	0	833,184,139
Construction and Capital Outlay	203,808,434	102,966,593	660,441,864	76,571,056	1,863,774	1,045,651,721
Debt Service	550,472,796	29,887,362	2,677,084	60,564,587	4,745,864	648,347,693
Other	814,960,411	320,364,934	71,896,229	419,536,395	148,082,929	1,774,840,898
Total	9,595,732,892	1,201,863,604	815,531,869	1,178,392,867	356,872,777	13,148,394,009
Change, FY94 to FY95	485,152,441	50,718,683	141,814,865	3,410,373	9,865,074	690,961,436
Percentage Change	5.3	4.4	21.0	0.3	2.8	5.5

* 350 of 351 communities reporting
Note: *Other includes supplies, other charges and expenditures, court judgments, depreciation, and out-of-state travel.*

in school spending and that in other departments.

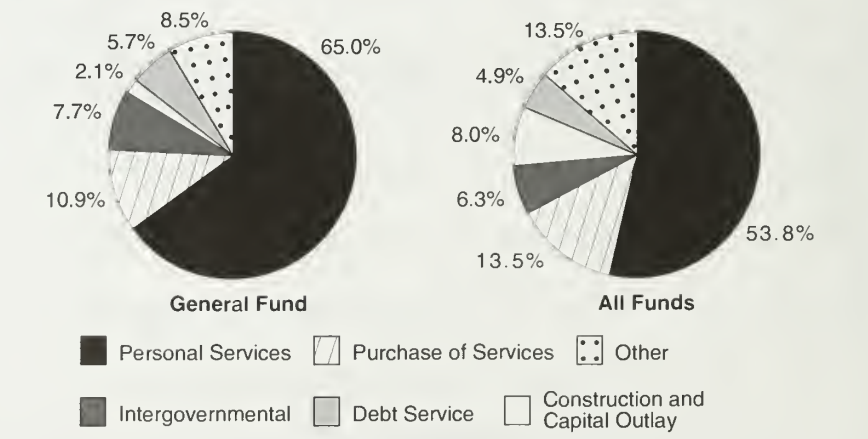
Of course, these averages are statewide averages and are unlikely to match what happened in any particular city or town. *Table 1* lists 350 municipalities' total general fund expenditures in FY94 and FY95, and shows the percentage change in several of the largest categories (Education, Police/Fire, and Highways) as well as for the total.

Spending in All Funds

Figure 2 shows total spending on a statewide basis, by fund and by object. Overall, cities and towns spent $691.0 million more in FY95 than in FY94, going from $12.457 billion to $13.148 billion for a 5.5 percent increase. Combined expenditures on construction and capital outlay rose from $811.5 million to $1.046 billion, up 28.9 percent. Of this spending, $170.9 million occurred in the capital projects fund, with $116.4 million of that amount going to school projects.

Figure 3

FY95 Expenditures by Object, General Fund vs. All Funds



Local government remains a labor-intensive activity. The personal services category — which includes salaries and benefits to permanent and temporary employees — accounted for 65.0 percent of spending in the general fund (see *Figure 3*). The percentage is lower (53.8 percent) when one looks at all funds combined, in part because Capital Projects and Enterprise funds rely more heavily on contracted services. However, the personal services category alone understates the degree to which the services provided require human labor. Significant shares of the in-

continued on page seven ➡

DLS UPDATE

Changes in Municipal Finance Law

A number of legislative changes that impact local governments have occurred this year. The following is a summary of some of these changes that affect municipal budgets and local tax assessment.

MRGF Definition — The FY96 Supplemental Appropriation (Ch.204) included an amendment to the definition of the Municipal Revenue Growth Factor (MRGF). Effective July 1, 1997, the local receipt portion of the MRGF will be based on a comparison of the previous years' budgeted receipts to those budgeted for the current year. In prior years, this component compared the rate of change between actual receipts and budgeted receipts.

Classification of Bed and Breakfasts — Chapter 299 of the Acts of 1996 amends MGL Ch.59 Sec.2A (effective November 7, 1996) to include bed and breakfast homes renting three rooms or less. Homes used to operate bed and breakfasts with more than three guest rooms will continue to be treated as mixed use, with the portions used primarily for guests classified as commercial property.

Architectural and Engineering Debt — Ch.142 of the Acts of 1996 increased the maximum term a city, town or district can borrow for architectural or engineering work under MGL Ch.44 Sec.7(21&22). After June 28, 1996, municipalities and districts that borrow separately for these types of projects will now be able to merge that debt into the longer-term debt for the project as long as the borrowing for the project is authorized before permanent debt is issued for the architectural and engineering work. Previously, separately authorized borrowings for such preliminary work were limited to a five-year term.

Charter School Reimbursements — Ch.151 Sec.525 (the FY97 state budget) contained a change to the reimbursement provisions for above foundation districts sending students to charter schools. Beginning in FY97, the reimbursement will be 50 percent in the first year of the charter school's operation, 40 percent in the second year and 30 percent in the third year.

School Debt — The FY97 state budget (Ch.151 Sec.553) also allowed municipalities and regional school districts with School Building Assistance priority projects to roll over their temporary borrowing for the projects up to five years without paying down principal. It also allows municipalities and districts to extend the total term of borrowing for these school construction projects by the length of the time they had temporary debt outstanding.

Employee Contributions to Retirement System — Sec. 176 of Ch.151 of the Acts of 1996 mandates 9 percent contributions to retirement systems for municipal and state employees hired on or after July 1, 1996.

Investment of Public Funds — Ch.314 of the Acts of 1996 broadens the permissible investments for municipal funds. Beginning November 7, 1996, this amendment to MGL Ch.44 Sec.55 allows city, town, district and regional school district treasurers to invest money in commercial money market funds that have received the highest rating from at least one financial organization. The purchase price for investments in money market funds cannot include any commission charges.

Solid Waste Disposal Debt — Earlier this year, the legislature passed Ch.15 of the Acts of 1996 which extended the maximum term a city or town may borrow under MGL Ch.44 Sec.8(24) to close a landfill, open a new landfill or make improvements to an existing landfill. As of February 12, 1996, the maximum term of borrowing is 25 years.

Local officials with questions about the interpretation of these new laws should contact the DLS Property Tax Bureau at (617) 626-2300. Full text copies of these new laws can be obtained from the State Bookstore (617) 727-2834. ■

Municipal Spending, FY95
➡ *continued from page six*

tergovernmental, purchase of services, and construction/capital outlay categories pay for salaries, except that the employees are directly paid by another organization (such as a regional school district) instead of the municipality.

For More Information

The DLS Municipal Data Bank generates a number of reports providing more detailed information on each municipality's spending. It also produces reports and spreadsheets that compare communities on frequently-requested categories (see this month's Data Bank Highlight). In addition to these "standard" reports, Data Bank staff can search its mainframe Schedule A data base for any of the specific fields or categories submitted on the form. Call John Sanguinet at (617) 626-2355 to make a request. ■

[1] *U.S. Department of Commerce, State and Local Government Implicit Price Deflator.*

Written by Roger Hatch

Municipal Fiscal Calendar

November 1
Taxpayer: *Semi-annual Tax Bill — Deadline for First Payment*
According to M.G.L. Ch. 59, Sec. 57, this is the deadline for receipt of the first semi-annual tax bills or preliminary notices without interest, unless bills were mailed after October 1, in which case they are due 30 days after mailing.

Taxpayer: *Quarterly Tax Bills — Deadline of 2nd Quarterly Tax Bill Without Interest*

Treasurer: *Deadline for Payment of First Half of County Tax*

November 15
Treasurer: *First Quarter Reconciliation of Cash (due 45 days after end of quarter)*
A reconciliation is the process of comparing the Treasurer's accounts to the Accountant's ledger balance to determine if they are consistent, and for the officials to make any necessary corrections. When the reconciliation is complete, the Accountant should indicate agreement with the Treasurer's balances. Reconciliations are required every quarter by DOR, but cities and towns should reconcile monthly for their own purposes. Municipalities may also use these reports to monitor cash practices of the Treasurer's office. If the Accountant and Treasurer are not consistently reconciling cash accounts, or if the reconciliations indicate variances, the Mayor or Selectmen should inquire as to the reasons.

November 30
Selectmen: *Review Budgets Submitted by Department Heads*
This date will vary depending on dates of town meeting.

9M–10/96–D697BO4

Data Bank Highlight

FY95 Expenditure Data Now Final

FY95 Schedule A data is now available for 350 cities and towns from the Data Bank (FY96 data will be released on a town-by-town basis as reports are finalized this fall). Comparisons among towns on a dollar, per capita and percentage basis are among the most popular reporting formats. Expenditures by function and department, as well as a profile of spending from all funds, are frequently-requested reports for individual communities.

To obtain Municipal Data Bank information contact John Sanguinet at (617) 626-2355 for printed reports and data files, Burt Lewis at (617) 626-2358 for the On-Line Access System, or see the World Wide Web address below. ■

City & Town

City & Town is published 11 times a year by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS World Wide Web site at **http://www.magnet.state.ma.us/dls** or by writing to PO Box 9655, Boston, MA 02114-9655.

Marilyn H. Browne, Editor

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Mitchell Adams, Commissioner
Harry M. Grossman, Acting Deputy Commissioner

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Historic Properties in Massachusetts

Written by Kay M. Upham

The Commonwealth's rich heritage is evident in its abundance of historic homes, buildings, bridges, parks, churches and cemeteries. All of these properties reflect different elements of the state's history. The State Register of Historic Places lists over 55,000 designated properties, the vast majority of which are also included in the National Registry of Historic Properties. Virtually every Massachusetts city and town (346 out of the 351) has a local historic commission acting as an advocacy and planning commission. In addition, 105 communities have a specifically designated Historic District Commissions that have regulatory authority over the design review of properties within each district. At the state level, historic preservation activities are overseen by the Secretary of State's Massachusetts Historical Commission. This commission is responsible for establishing the state's historic preservation policies and providing technical and grant assistance for historic preservation projects.

The stimulus for much of the historic preservation efforts of recent decades was the National Historic Preservation Act of 1966. This act created the National Register of Historic Places and a matching grant program for states. Since then, interest in historic preservation has grown and more programs have been developed to encourage preservation and rehabilitation. Currently, there are several grant programs supporting historic preservation in Massachusetts. One is a federal pass-through program that provides grants primarily for planning purposes. Another, the Massachusetts Preservation Projects Fund, is a state-funded grant program for the rehabilitation of buildings owned by public or non-profit entities. In addition, there is a federal investment tax credit for rehabilitating income-producing designated historic properties. Owner-occupied residential properties are not eligible for this federal tax credit.

Historic Preservation's Effect on Assessed Values

Since there are so many historically designated properties in Massachusetts, we thought local officials would be interested in information about the impact a historic preservation designation can have on the assessed value of a property. Under MGL Ch.59 Sec.38, all properties in Massachusetts are required to be assessed at their "fair cash value." The Supreme Judicial Court has determined that the standard for fair cash value for taxation purposes would be "the fair market value" which is defined as "the price an owner willing but not under compulsion to sell ought to receive from one willing but not under any compulsion to buy."[1] Moreover, in those cases where a property is under some sort of restriction like a historic preservation designation, the Supreme Judicial Court has said that "any governmentally imposed restriction affecting a property's value should be considered in the determination of its fair cash value."[2] Consequently, to the extent that a historic preservation designation diminishes or enhances a property's market value, that designation should be reflected in its property assessment. The Division of Local Services has interpreted this to mean that this designation is exclusively a market factor that must be evaluated in terms of its effect on the sales price of property within the district as compared to the price or value of a similar property outside the district.

There are over 55,000 properties listed in the State Register of Historic Places.

From a different perspective, there have been a number of analytical studies that have attempted to quantify the effect of a historic designation on a property's value. In one such study, the researchers used a regression analysis to determine that "a residential property located in a federally designated district carries roughly a 26

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LEGAL

in Our Opinion

Q: *Can a town police department enter into a three year lease purchase agreement for computer equipment?*
A: Assuming that the contract otherwise qualifies under the bidding laws, the agreement is valid even though there is no appropriation to cover the entire cost of the contract. The town, however, is not legally required to make appropriations in future years. In the absence of an appropriation in the second and third years, the contract would be cancelled and the computer equipment would be returned to the vendor. M.G.L. Ch.30B Sec.12(a) permits communities to enter into multi-year contracts. Town meeting approval is only required for contracts in excess of three years under M.G.L. Ch.30B Sec.12(b). The Uniform Procurement Law, however, provides that payment and performance obligations are dependent on the availability and appropriation of funds. M.G.L. Ch.30B Sec.12(d) also provides that the procurement officer shall cancel the contract if funds are not appropriated or made available in a subsequent fiscal year.

Q: *Are private ways assessed real estate taxes?*
A: Yes. Ordinarily, however, private ways are not separately assessed. Private roads generally are owned by abutters to the road with each abutting party owning to the center of the roadway in accordance with M.G.L. Ch.183 Sec.58. The value of the roadway would be included in the assessments of the abutting lots. A review of the deeds of abutters may confirm that abutting property owners have ownership of the roadway. Even if the deed description does not explicitly include the private road, the abutter to the road may obtain whatever ownership the grantor had in the private way. Where there is an instrument passing title to real estate abutting private ways, M.G.L. Ch.183 Sec.58 states that such instrument, with certain exceptions, "shall be construed to include any fee interest of the grantor in such way." The Supreme Judicial Court, furthermore, held that "The presumption has long been that, even where the specified boundary line is clearly at the side of the way, the deed was intended to transfer the abbreviated rights to the fee of the way as well." *Smith v. Hadad*, 366 Mass. 106 (1974).

Sometimes, a grantor will retain ownership of the private way by explicitly terminating lot boundaries at the border of the road. A developer, for example, could deed out lots bordering a road but continue to hold title to the roadway itself. In this instance, the private road is separately assessed but the road's assessed value is minimal. A reduced valuation for the road is required since the owner's right to use the land is restricted.

In any event, private roads are assessed real estate taxes.

Q: *Can a tax collector impose interest if taxes are unpaid on real property owned by a serviceman called up to active duty?*
A: Yes. The interest rate, however, is substantially less than the fourteen percent rate imposed under M.G.L. Ch.59 Sec.57. The Congress of the United States enacted the Soldiers and Sailors Civil Relief Act to suspend the civil liabilities of persons in military service to enable these individuals to devote their full energies to the country's defense needs. This Act (Title 50 Section 560 of the United States Code) applies when "any taxes or assessments, whether general or special (other than taxes on income), whether falling due prior to or during the period of military service, in respect of personal property, money, or credits, or *real property* owned and occupied for dwelling, professional, business, or agricultural purposes by a person in military service, or his dependents at the commencement of his period of military service and still so occupied by his dependents or employees are not paid."

Title 50 USC Sec.560 further provides that interest on the unpaid tax or assessment will be at the rate of six percent per annum and "no other penalty or interest shall be incurred by reason of such nonpayment."

A collector then may impose no more than six percent interest if real estate taxes are owed by an individual in military service who is called up to active duty.

Q: *Can a town deny a building permit to a delinquent taxpayer who has filed for bankruptcy?*
A: Pursuant to M.G.L. Ch.40 Sec.57 which is a local option statute, cities and towns can deny or revoke certain licenses and permits to taxpayers who failed to pay local taxes, assessments or fees. By a 1996 legislative amendment, building permits are now subject to denial, suspension or revocation under M.G.L. Ch.40 Sec.57. Where there is a bankruptcy, however, it is our belief that the municipality cannot deny or revoke a license or permit unless the Bankruptcy Court has lifted its automatic stay. Title 11 Section 362(a)(6) of the United States Code prohibits a creditor of a bankrupt from taking any action "to collect, assess, or recover a claim against the debtor that arose before the commencement of the case under this title." In our view, any effort to collect through reliance on M.G.L. Ch.40 Sec.57 is barred by the stay. ■

Compiled by James Crowley

Focus on Municipal Finance

Highway Related Funds

Highway related funding is made available to communities in three different forms: the Cherry Sheet, a transportation bond, and additional state budget appropriations. Many local officials reference these programs interchangeably, but in reality they are very distinct programs.

The Cherry Sheet

The distribution of highway funds on the Cherry Sheet (MGL Ch. 81, Sec. 31, Ch. 577, Sec. 8, Acts of 1980) is to reimburse municipalities for costs incurred in the construction, maintenance, and policing of local ways. These funds are taken from the Highway Fund, the motor vehicle fuels excise, which dedicates 7.5 percent of the total tax amount collected each year for reimbursement. The amount distributed to each community was based on a formula. The Highway Fund formula takes into consideration the number of motor vehicle registrations, road miles, and Equalized Valuations of each community. This formula was last run in FY89. Since then, the annual budget language has stipulated that the proposed distribution be proportional to the previous year's distribution.

These highway funds are general fund revenues used to fund the operating budget of a community. However, the distribution to communities is contingent upon local submission of Form HED-077, which certifies appropriations for highway related expenses. Annually during the budget process, the Massachusetts Highway Department (MHD) mails Form HED-077 to communities. Upon the passage of the community's budget, this form must be completed and signed by the duly authorized executive officials and the accounting officer, and returned to MHD. Once certified by MHD, the Division of Local Services certifies to the State Treasurers' Office the amount due to each community before each quarterly distribution. Failure to submit the HED-077 form to MHD results in the withholding of a community's quarterly distribution (MGL Ch. 58, Sec. 18F).

Transportation Bonds

Another source of highway funds for municipalities is transportation bonds. The state legislature has authorized and funded a transportation capital bond four times since 1990.[1] In each Transportation Bond, funds are apportioned to communities based on a formula under the provisions of MGL Chapter 90, Sec. 34, hence the term Chapter 90 funds.

The Chapter 90 highway formula is comprised of three variables: local road mileage (58.33 percent) as certified by MHD, employment figures (20.83 percent) from the Department of Employment and Training, and population estimates (20.83 percent) from the US Census Bureau. Under this formula, those communities with a larger number of road miles receive proportionately more aid than those with fewer road miles.

The formula is run just prior to the passage of a transportation bond to reflect the most current road, population and employment figures of the communities. Each bond issue clearly states how much is available for each community and what restrictions may apply to these funds. For example, the apportioned amount of money is made available to a community provided that the community certifies that it has expended all previous transportation

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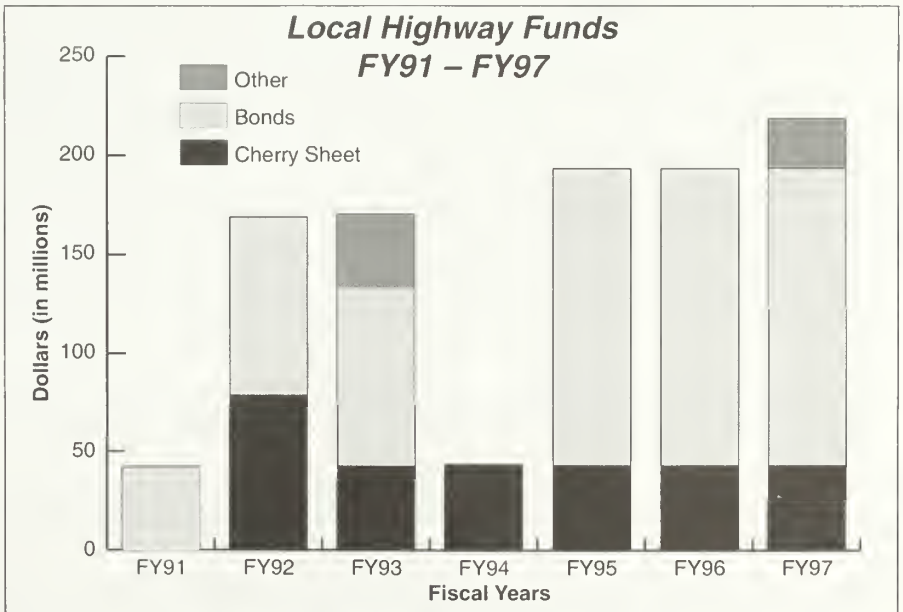
Chart 1



Of the total $78.8 million distributed in FY92, $36.5 million was a retroactive payment for costs incurred in FY91 and $42.3 million was a payment for costs incurred in FY92.

Highway Related Funds, FY91 – FY97

Community	Cherry Sheet FY97	Cherry Sheet FY91- FY96	Transportation Bond Funds FY91 — FY97	Other Highway Funds FY93 & FY97	Total
Abington	139,361	808,785	1,252,621	115,590	2,316,357
Acton	136,181	790,331	2,196,910	200,815	3,324,237
Acushnet	111,540	647,327	1,040,227	97,444	1,896,538
Adams	113,827	660,599	1,113,657	102,594	1,990,677
Agawam	257,497	1,494,396	2,295,281	211,649	4,258,823
Alford	11,509	66,794	276,996	25,354	380,653
Amesbury	135,925	788,844	1,458,206	134,450	2,517,425
Amherst	171,644	996,143	2,575,693	234,633	3,978,113
Andover	114,288	663,274	4,454,875	408,827	5,641,264
Arlington	244,599	1,419,536	2,952,886	269,847	4,886,868
Ashburnham	82,213	477,125	1,176,531	107,711	1,843,580
Ashby	59,732	346,657	858,771	77,415	1,342,575
Ashfield	59,853	347,358	1,090,151	100,633	1,597,995
Ashland	92,603	537,422	1,172,834	107,763	1,910,622
Athol	142,439	826,649	1,885,134	173,107	3,027,329
Attleboro	351,675	2,040,958	4,414,613	399,740	7,206,986
Auburn	169,302	982,550	2,023,503	186,890	3,362,245
Avon	49,102	284,966	680,421	62,705	1,077,194
Ayer	114,014	661,685	889,745	82,118	1,747,562
Barnstable	290,107	1,683,647	7,177,160	662,141	9,813,055
Barre	102,937	597,397	1,569,526	144,513	2,414,373
Becket	42,341	245,727	889,222	81,480	1,258,770
Bedford	49,547	287,548	2,381,353	216,777	2,935,225
Belchertown	145,675	845,428	1,999,315	180,510	3,170,928
Bellingham	167,188	970,282	1,593,091	147,047	2,877,608
Belmont	68,272	396,217	1,955,441	180,255	2,600,185
Berkley	54,670	317,279	778,415	71,525	1,221,889
Berlin	46,583	270,346	687,452	62,784	1,067,165
Bernardston	45,545	264,322	680,974	62,368	1,053,209
Beverly	241,260	1,400,161	3,421,019	317,044	5,379,484
Billerica	290,586	1,686,427	3,552,706	325,315	5,855,034
Blackstone	84,386	489,736	818,918	75,772	1,468,812
Blandford	50,355	292,236	958,301	87,776	1,388,668
Bolton	44,093	255,895	946,313	85,788	1,332,089
Boston	836,476	4,854,520	50,813,804	4,692,796	61,197,596
Bourne	125,136	726,231	2,070,472	190,650	3,112,489
Boxborough	21,776	126,376	552,256	49,466	749,874
Boxford	64,974	377,078	1,318,409	116,996	1,877,457
Boylston	51,491	298,829	698,337	64,296	1,112,953
Braintree	249,916	1,450,398	3,721,269	346,479	5,768,062
Brewster	34,777	201,832	975,771	89,563	1,301,943
Bridgewater	172,446	1,000,796	2,003,129	179,704	3,356,075
Brimfield	61,701	358,082	1,011,168	93,893	1,524,844
Brockton	744,474	4,320,582	6,958,733	645,483	12,669,272
Brookfield	50,100	290,756	615,739	56,505	1,013,100
Brookline	46,441	269,519	3,503,208	319,200	4,138,368
Buckland	40,835	236,989	668,984	61,340	1,008,148
Burlington	58,900	341,828	3,108,581	290,723	3,800,032
Cambridge	69,242	401,849	8,991,298	810,483	10,272,872
Canton	121,662	706,069	2,347,300	214,750	3,389,781
Carlisle	34,920	202,661	832,253	76,209	1,146,043
Carver	112,060	650,343	1,291,958	119,212	2,173,573
Charlemont	38,811	225,242	669,257	62,525	995,835
Charlton	133,724	776,071	2,008,067	181,145	3,099,007
Chatham	—	—	1,160,233	106,252	1,266,485
Chelmsford	245,218	1,423,133	3,563,839	330,392	5,562,582
Chelsea	142,060	824,449	1,751,977	159,643	2,878,129
Cheshire	57,106	331,416	715,712	66,406	1,170,640
Chester	50,083	290,658	898,482	82,780	1,322,003
Chesterfield	40,362	234,243	821,002	77,195	1,172,802
Chicopee	487,531	2,829,404	4,281,501	392,725	7,991,161
Chilmark	—	—	236,306	21,767	258,073
Clarksburg	23,646	137,230	256,242	23,529	440,647
Clinton	110,897	643,596	1,182,214	108,859	2,045,566
Cohasset	34,765	201,761	750,871	69,525	1,056,922
Colrain	67,145	389,679	1,224,015	111,932	1,792,771
Concord	70,069	406,648	2,387,796	220,013	3,084,526
Conway	53,429	310,078	992,912	91,022	1,447,441
Cummington	37,838	219,593	743,603	67,823	1,068,857
Dalton	68,039	394,868	819,951	75,872	1,358,730
Danvers	168,051	975,288	2,989,613	277,700	4,410,652
Dartmouth	261,362	1,516,821	3,602,157	332,604	5,712,944
Dedham	177,858	1,032,206	2,241,587	207,965	3,659,616
Deerfield	84,490	490,340	1,393,083	128,078	2,095,991
Dennis	49,563	287,642	2,427,968	223,644	2,988,817
Dighton	75,792	439,863	982,071	90,880	1,588,606
Douglas	81,587	473,494	1,194,527	109,058	1,858,666
Dover	14,295	82,962	841,245	76,141	1,014,643
Dracut	231,667	1,344,487	2,418,378	218,917	4,213,449
Dudley	120,360	698,512	1,461,652	134,272	2,414,796
Dunstable	33,943	196,988	582,070	53,489	866,490
Duxbury	92,482	536,722	1,632,500	150,815	2,412,519
E Bridgewater	95,815	556,066	773,726	70,396	1,496,003
E Brookfield	29,662	172,143	340,964	30,772	573,541
E Longmeadow	132,917	771,391	1,983,399	176,930	3,064,637
Eastham	9,055	52,549	802,128	72,474	936,206
Easthampton	170,431	989,103	1,672,505	153,203	2,985,242
Easton	171,140	993,217	1,948,428	180,378	3,293,163
Edgartown	—	—	792,040	73,168	865,208
Egremont	26,908	156,163	573,236	52,195	808,502
Erving	5,498	31,909	313,378	28,899	379,684
Essex	31,100	180,490	483,100	44,072	738,762
Everett	89,403	518,854	2,206,298	206,525	3,021,080
Fairhaven	151,132	877,103	1,735,311	160,249	2,923,795
Fall River	728,019	4,225,087	7,272,104	678,379	12,903,589
Falmouth	152,953	887,669	3,909,904	362,913	5,313,439
Fitchburg	399,045	2,315,872	4,279,179	396,149	7,390,245
Florida	27,316	158,531	605,738	55,493	847,078
Foxborough	153,141	888,759	1,751,128	164,176	2,957,204
Framingham	390,606	2,266,897	6,450,088	607,358	9,714,949
Franklin	168,870	980,043	2,295,174	211,517	3,655,604
Freetown	106,466	617,878	1,216,221	116,341	2,056,906
Gardner	194,414	1,128,289	2,226,911	207,029	3,756,643
Gay Head	—	—	107,139	11,621	118,760
Georgetown	67,606	392,353	843,829	77,512	1,381,300
Gill	39,557	229,570	641,766	58,656	969,549
Gloucester	147,403	855,459	2,418,860	225,513	3,647,235
Goshen	22,086	128,178	407,687	37,090	595,041
Gosnold	—	—	30,443	3,040	33,483
Grafton	137,091	795,614	1,591,725	148,363	2,672,793
Granby	82,943	481,363	982,696	90,416	1,637,418
Granville	53,522	310,617	998,106	91,505	1,453,750
Great Barrington	99,469	577,273	1,517,788	139,684	2,334,214
Greenfield	197,127	1,144,033	2,390,432	220,040	3,951,632
Groton	94,085	546,025	1,414,779	128,533	2,183,422
Groveland	64,349	373,451	674,294	62,048	1,174,142
Hadley	62,883	384,946	1,204,387	110,548	1,742,764
Halifax	76,986	446,791	792,892	73,101	1,389,770
Hamilton	63,262	367,142	860,394	79,770	1,370,568
Hampden	74,966	435,067	858,284	78,778	1,447,095
Hancock	22,476	130,441	382,416	33,591	568,924
Hanover	98,480	571,533	1,491,558	139,972	2,301,543
Hanson	98,279	570,368	961,967	88,391	1,719,005
Hardwick	77,215	448,121	1,373,420	125,891	2,024,647
Harvard	60,308	350,000	1,302,485	120,716	1,833,509
Harwich	73,217	424,917	2,168,450	199,739	2,866,323
Hatfield	61,919	359,348	862,999	79,657	1,363,923
Haverhill	405,039	2,350,657	4,870,132	449,802	8,075,630
Hawley	31,570	183,218	669,293	61,300	945,381
Heath	37,310	216,531	790,774	72,179	1,116,794
Hingham	116,951	678,729	2,374,069	221,848	3,391,597
Hinsdale	34,042	197,565	577,906	52,949	862,462
Holbrook	110,849	643,315	885,079	82,482	1,721,725
Holden	161,707	938,472	2,057,803	189,812	3,347,794
Holland	35,642	206,850	579,800	53,270	875,562
Holliston	116,753	677,579	1,562,380	146,161	2,502,873
Holyoke	349,965	2,031,032	4,059,851	371,503	6,812,351
Hopedale	50,275	291,775	534,940	46,796	923,786
Hopkinton	79,073	458,904	1,420,036	130,677	2,088,690
Hubbardston	68,605	398,150	1,241,001	111,454	1,819,210
Hudson	166,923	968,743	1,873,533	167,783	3,176,982
Hull	81,368	472,221	1,016,906	92,571	1,663,066
Huntington	44,675	259,275	621,068	57,466	982,484
Ipswich	105,953	614,903	1,440,649	133,118	2,294,623
Kingston	87,319	506,759	1,198,236	110,613	1,902,927
Lakeville	89,039	516,740	1,079,294	99,503	1,784,576
Lancaster	77,725	451,081	1,083,338	98,692	1,710,836
Lanesborough	51,951	301,498	792,374	70,717	1,216,540
Lawrence	493,976	2,866,808	4,431,987	410,381	8,203,152
Lee	76,649	444,835	1,032,850	95,378	1,649,712
Leicester	138,692	804,903	1,493,272	137,563	2,574,430
Lenox	70,409	408,622	1,057,298	96,616	1,632,945
Leominster	340,693	1,977,224	3,877,037	355,756	6,550,710
Leverett	33,702	195,591	545,067	49,906	824,266
Lexington	60,214	349,453	3,240,466	300,404	3,950,537
Leyden	27,557	159,929	556,097	50,764	794,347
Lincoln	20,071	116,481	978,192	90,099	1,204,843
Littleton	70,637	409,945	1,161,906	104,213	1,746,701
Longmeadow	118,424	687,279	1,766,811	166,919	2,739,433
Lowell	617,889	3,585,940	6,836,407	629,449	11,669,685
Ludlow	197,039	1,143,523	2,021,836	186,623	3,549,021
Lunenburg	121,521	705,253	1,470,602	137,422	2,434,798
Lynn	523,911	3,040,536	5,594,049	520,824	9,679,320
Lynnfield	68,794	399,248	1,220,762	117,778	1,806,582
Malden	341,674	1,982,919	3,512,869	324,661	6,162,123
Manchester	15,760	91,463	545,009	50,245	702,477
Mansfield	112,653	653,787	1,831,205	170,022	2,767,667
Marblehead	36,663	212,777	1,638,789	152,479	2,040,708
Marion	14,722	85,439	481,346	44,674	626,181
Marlborough	217,056	1,259,694	3,265,311	293,246	5,035,307
Marshfield	177,951	1,032,745	2,020,354	192,970	3,424,020
Mashpee	39,919	231,672	1,979,479	181,926	2,432,996
Mattapoisett	53,714	311,730	766,258	70,471	1,202,173
Maynard	80,154	465,177	1,208,627	119,314	1,873,272
Medfield	77,562	450,134	1,396,503	130,997	2,055,196
Medford	330,408	1,917,534	3,645,437	339,578	6,232,957
Medway	84,362	489,599	1,187,439	110,625	1,872,025
Melrose	163,003	945,992	2,004,912	184,827	3,298,734
Mendon	45,222	262,449	714,567	67,151	1,089,389
Merrimac	53,899	312,805	596,170	54,422	1,017,296

Community	Cherry Sheet FY97	Cherry Sheet FY91- FY96	Transportation Bond Funds FY91 — FY97	Other Highway Funds FY93 & FY97	Total
Methuen	329,573	1,912,689	3,631,511	342,357	6,216,130
Middleboro	224,486	1,302,812	2,789,791	255,549	4,572,638
Middlefield	27,992	162,454	574,224	51,894	816,564
Middleton	48,516	281,565	796,438	70,406	1,196,925
Milford	198,781	1,153,632	2,448,977	225,478	4,026,868
Millbury	139,077	807,140	1,348,811	124,705	2,419,733
Millis	72,824	422,636	964,534	89,758	1,549,752
Millville	28,232	163,845	347,603	31,599	571,279
Milton	137,524	798,125	2,149,736	198,205	3,283,590
Monroe	12,008	69,687	254,290	22,799	358,784
Monson	128,411	745,239	1,758,856	160,715	2,793,221
Montague	131,753	764,632	1,791,631	164,077	2,852,093
Monterey	32,752	190,078	711,604	65,108	999,542
Montgomery	25,466	147,793	469,870	43,139	686,268
Mt Washington	10,832	62,864	261,419	24,144	359,259
Nahant	17,957	104,213	339,038	31,337	492,545
Nantucket	—	—	2,252,705	207,431	2,460,136
Natick	200,962	1,166,292	3,158,582	291,254	4,817,090
Needham	95,952	556,861	3,210,786	296,292	4,159,891
New Ashford	6,222	36,109	160,470	14,397	217,198
New Bedford	795,613	4,617,370	8,108,042	749,723	14,270,748
New Braintree	38,929	225,928	761,764	69,589	1,096,210
New Marlboro	58,319	338,456	1,290,041	118,079	1,804,895
New Salem	32,848	190,633	587,459	54,514	865,454
Newbury	63,890	370,787	905,259	82,323	1,422,259
Newburyport	101,481	588,949	1,680,280	155,123	2,525,833
Newton	127,540	740,184	8,145,057	755,648	9,768,429
Norfolk	73,864	428,671	1,122,792	104,414	1,729,741
N Adams	152,669	886,021	1,486,800	137,990	2,663,480
N Andover	130,989	760,199	2,699,681	247,079	3,837,948
N Attleboro	217,121	1,260,071	2,326,043	212,859	4,016,094
N Brookfield	81,845	474,993	1,158,502	106,479	1,821,819
N Reading	97,237	564,317	1,343,085	121,045	2,125,684
Northampton	254,495	1,476,970	3,520,659	323,421	5,575,545
Northborough	111,339	646,162	1,527,963	137,944	2,423,408
Northbridge	141,654	822,093	1,303,477	120,799	2,388,023
Northfield	62,306	361,596	1,073,471	97,936	1,595,309
Norton	144,485	838,523	1,593,974	146,675	2,723,657
Norwell	73,430	426,153	1,410,358	129,777	2,039,718
Norwood	193,206	1,121,279	3,175,097	290,474	4,780,056
Oak Bluffs	9,592	55,670	602,055	55,373	722,690
Oakham	39,509	229,293	675,805	62,201	1,006,808
Orange	116,699	677,268	1,475,424	135,310	2,404,701
Orleans	9,134	53,010	1,074,900	100,137	1,237,181
Otis	24,619	142,876	663,619	60,724	891,838
Oxford	154,041	893,983	1,673,829	152,796	2,874,649
Palmer	164,464	954,471	1,881,917	172,522	3,173,374
Paxton	46,417	269,384	639,404	59,964	1,015,169
Peabody	269,959	1,566,717	3,178,645	289,798	5,305,119
Pelham	23,330	135,394	359,961	33,158	551,843
Pembroke	126,314	733,069	1,265,040	117,039	2,241,462
Pepperell	114,655	665,402	1,391,649	128,530	2,300,236
Peru	26,983	156,598	504,531	46,323	734,435
Petersham	48,338	280,530	955,163	87,402	1,371,433
Phillipston	37,108	215,359	692,240	63,467	1,008,174
Pittsfield	446,475	2,591,134	5,171,142	481,891	8,690,642
Plainfield	35,466	205,831	720,433	65,913	1,027,643
Plainville	72,998	423,647	864,977	79,466	1,441,088
Plymouth	222,607	1,291,908	4,120,639	390,099	6,025,253
Plympton	35,768	207,581	564,190	52,636	860,175
Princeton	75,519	438,275	1,248,827	114,246	1,876,867
Provincetown	—	—	432,285	40,212	472,497
Quincy	444,110	2,577,409	6,600,817	605,194	10,227,530
Randolph	232,122	1,347,128	2,518,742	232,884	4,330,876
Raynham	110,298	640,118	1,308,226	121,801	2,180,443
Reading	156,258	906,849	1,965,454	181,494	3,210,055
Rehoboth	147,073	853,544	1,970,398	181,979	3,152,994
Revere	217,056	1,259,694	2,596,236	236,250	4,309,236
Richmond	34,998	203,114	635,430	58,259	931,801
Rochester	63,636	369,315	926,309	85,836	1,445,096
Rockland	143,214	831,149	1,384,989	127,619	2,486,971
Rockport	32,040	185,946	726,853	66,504	1,011,343
Rowe	2,476	14,370	552,762	50,087	619,695
Rowley	49,963	289,961	738,180	67,403	1,145,507
Royalston	56,443	327,568	1,076,812	98,790	1,559,613
Russell	27,915	162,004	386,672	36,011	612,602
Rutland	79,060	458,829	1,095,450	101,055	1,734,394
Salem	181,688	1,054,432	2,780,130	255,988	4,272,238
Salisbury	61,322	355,886	724,815	69,319	1,211,342
Sandisfield	54,053	313,697	1,230,075	112,704	1,710,529
Sandwich	72,494	420,721	1,851,039	168,975	2,513,229
Saugus	160,562	931,829	2,105,327	193,654	3,391,372
Savoy	37,781	219,262	743,381	68,243	1,068,667
Scituate	151,791	880,926	1,951,219	180,632	3,164,568
Seekonk	147,322	854,989	1,860,177	172,716	3,035,204
Sharon	134,716	781,829	1,978,734	182,393	3,077,672
Sheffield	72,455	420,496	1,330,256	121,568	1,944,775
Shelburne	51,381	298,189	827,783	75,772	1,253,125
Sherborn	31,479	182,690	846,368	77,379	1,137,916
Shirley	65,632	380,896	847,184	78,172	1,371,884
Shrewsbury	207,431	1,203,832	2,540,084	230,726	4,182,073
Shutesbury	32,685	189,689	529,922	50,473	802,769
Somerset	134,863	782,681	1,814,962	167,650	2,900,156
Somerville	343,307	1,992,395	3,934,957	360,848	6,631,507
South Hadley	157,769	915,617	1,740,012	159,766	2,973,164
Southampton	73,765	428,098	1,056,892	99,260	1,658,015
Southborough	60,834	353,053	1,201,526	110,631	1,726,044
Southbridge	183,025	1,062,192	1,858,859	174,595	3,278,671
Southwick	105,527	612,430	1,172,916	108,471	1,999,344
Spencer	149,778	869,243	1,813,119	165,583	2,997,723
Springfield	1,251,853	7,265,174	13,164,885	1,207,920	22,889,832
Sterling	98,043	568,997	1,423,960	131,066	2,222,066
Stockbridge	26,626	154,525	746,782	68,318	996,251
Stoneham	135,176	784,498	1,747,950	161,832	2,829,456
Stoughton	219,169	1,271,956	2,598,919	239,225	4,329,269
Stow	51,409	298,354	838,347	76,547	1,264,657
Sturbridge	96,514	560,124	1,491,292	137,850	2,285,780
Sudbury	110,976	644,053	2,301,297	210,795	3,267,121
Sunderland	46,173	267,967	655,112	59,976	1,029,228
Sutton	103,000	597,765	1,523,573	139,770	2,364,108
Swampscott	36,857	213,901	949,226	87,846	1,287,830
Swansea	174,724	1,014,019	1,960,144	180,157	3,329,044
Taunton	456,720	2,650,592	4,441,676	407,866	7,956,854
Templeton	99,201	575,715	1,215,466	111,478	2,001,860
Tewksbury	235,203	1,365,008	2,830,962	265,157	4,696,330
Tisbury	9,717	56,393	454,383	43,649	564,142
Tolland	22,652	131,460	601,981	55,051	811,144
Topsfield	62,575	363,155	941,697	86,690	1,454,117
Townsend	112,117	650,677	1,524,262	141,143	2,428,199
Truro	3,903	22,650	623,608	57,022	707,183
Tyngsboro	78,728	456,903	1,082,011	99,922	1,717,564
Tyringham	16,238	94,239	382,970	34,914	528,361
Upton	77,793	451,475	1,003,921	91,469	1,624,658
Uxbridge	123,217	715,092	1,563,380	140,831	2,542,520
Wakefield	172,008	998,253	2,292,022	212,666	3,674,949
Wales	27,692	160,711	390,740	35,730	614,873
Walpole	160,446	931,155	2,310,250	213,970	3,615,821
Waltham	298,760	1,733,865	6,018,153	540,875	8,591,653
Ware	131,078	760,717	1,594,057	145,425	2,631,277
Wareham	179,908	1,044,102	2,336,161	215,935	3,776,106
Warren	77,662	450,714	1,110,794	104,870	1,744,040
Warwick	42,023	243,883	845,428	77,508	1,208,842
Washington	31,482	182,706	641,340	58,745	914,273
Watertown	134,272	779,252	2,676,237	248,760	3,838,521
Wayland	69,427	402,923	1,744,890	161,747	2,378,987
Webster	145,857	846,488	1,624,825	150,157	2,767,327
Wellesley	21,241	123,273	3,057,556	282,036	3,484,106
Wellfleet	8,264	47,963	861,527	81,366	999,120
Wendell	39,594	229,787	733,613	66,352	1,069,346
Wenham	22,007	127,717	478,182	45,054	672,960
W Boylston	71,037	412,264	981,199	88,697	1,553,197
W Bridgewater	85,656	497,110	1,044,665	95,057	1,722,488
W Brookfield	60,066	348,595	856,042	78,779	1,343,482
W Newbury	47,165	273,723	720,414	67,064	1,108,366
W Springfield	253,547	1,471,470	2,977,765	271,058	4,973,840
W Stockbridge	32,702	189,787	567,504	51,378	841,371
W Tisbury	—	—	255,524	23,005	278,529
Westborough	73,507	426,600	2,398,724	217,413	3,116,244
Westfield	366,414	2,126,496	4,052,970	376,787	6,922,667
Westford	106,178	616,210	2,221,070	188,575	3,132,033
Westhampton	36,663	212,777	698,180	64,024	1,011,644
Westminster	97,600	566,426	1,507,932	136,720	2,308,678
Weston	13,277	77,053	1,641,837	151,657	1,883,824
Westport	177,243	1,028,639	2,234,464	208,002	3,648,348
Westwood	49,419	286,803	1,793,367	166,579	2,296,168
Weymouth	435,119	2,525,228	4,030,140	373,344	7,363,831
Whately	29,320	170,161	511,778	46,523	757,782
Whitman	132,530	769,140	1,158,115	109,964	2,169,749
Wilbraham	144,380	837,915	1,721,323	160,749	2,864,367
Williamsburg	49,166	285,338	701,341	64,440	1,100,285
Williamstown	68,001	394,647	1,122,566	103,518	1,688,732
Wilmington	122,773	712,517	2,650,711	247,482	3,733,483
Winchendon	113,653	659,591	1,575,425	145,615	2,494,284
Winchester	72,249	419,300	1,842,137	169,363	2,503,049
Windsor	48,466	281,273	1,004,245	92,068	1,426,052
Winthrop	101,125	586,884	1,105,095	102,029	1,895,133
Woburn	265,142	1,538,762	4,210,389	391,210	6,405,503
Worcester	1,178,150	6,837,439	15,097,731	1,349,331	24,462,651
Worthington	47,734	277,027	893,830	81,875	1,300,466
Wrentham	84,466	490,202	1,246,906	115,242	1,936,816
Yarmouth	141,057	818,631	3,083,529	283,090	4,326,307
Total	**43,472,110**	**252,291,985**	**672,359,812**	**61,899,040**	**1,030,022,947**

Table 1

Highway Related Funds
➡ *continued from page three*

bond authorizations or that the remaining sum of money is insufficient to finance a proposed project.

To receive permission to use Chapter 90 funds, each community must first enter into a Memorandum of Agreement (MA) with the MHD. These funds may be used to hire contractors or use town personnel to do the work, to purchase materials, and/or to acquire certain capital items. Because transportation bond funds are reimbursed based on actual expenditures, a community may fund a proposed Chapter 90 project by appropriating available resources or borrowing in anticipation of state highway grant reimbursement. In addition, for those communities without available funds or sufficient appropriation for borrowing expense, Chapter 90 funds may be considered an available fund upon the approval of the Commissioner of Revenue (MGL Ch. 59, S. 23). This option allows a town meeting or city council to make an appropriation for projects without impinging on a community's limited resources.

As work is completed, a community files a request for reimbursement. Each request for reimbursement requires a certification that all expenditures have been incurred on the eligible project, and the work has been completed to the community's satisfaction and in compliance with Massachusetts laws. Failure to file for reimbursable amounts as they are incurred could pose cash flow problem and eventually result in a reduction in the community's free cash certification. To avoid this problem, the accounting officer and the public works officials should routinely meet to review the project status, complete project paperwork, and file the reimbursement timely.

Additional State Appropriations

Since FY91, the Commonwealth has appropriated additional, non-Cherry Sheet Highway funds to communities twice: the FY93 budget (Chapter 133 of the Acts of 1992) and the FY97 supplemental budget (Chapter 204 of the Acts of 1996). These acts provided for the allocation of $36.9 million (FY93) and $25 million (FY97) to communities for highway purposes using the Chapter 90 highway formula. These two acts differ from other highway money in two ways. First, these funds are grants which are distributed by MHD in advance of the completion of the agreed upon project. As such, these funds may be expended without appropriation. And second, these acts require each community to spend its funds before the close of the fiscal year or forfeit the funds. According to MHD officials, all communities used Chapter 133 funds in FY93, forfeiting nothing, and they anticipate a similar outcome with Chapter 204 in FY97.

Considering all three sources of funding, since FY91, the Commonwealth has made available over $1 billion in highway related funds to communities. The majority of these funds have been expended in a timely fashion, resulting in improved public ways and enhanced public safety.

Any community with questions regarding the Cherry Sheet highway funds should contact Lisa Juszkiewicz at (617) 626-2386. For the transportation bonds and other highway fund information, a community should contact its District Highway State Engineer. ■

Written by Melinda J. Ordway, with contributions from Lisa Juszkiewicz and Eileen Thompson of Massachusetts Highway Department

[1] Transportation Bond authorizations include Chapter 113 (of the Acts of 1996), Chapter 85 (of the Acts of 1994), Chapter 33 (of the Acts of 1991), and Chapter 121 (of the Acts of 1990).

Historic Properties
➡ *continued from page one*

percent price premium relative to property located outside of a federally certified district."[3] However, this study also recognized that "historic structures by their very nature may be physically deteriorated or functionally obsolete" which would in turn eliminate the perceived premium attached to the historic designation of the property. It should be noted that this study only examined the effect on values in a federally designated historic district; the effect of local ordinances on values was deemed inconclusive. Another researcher completed a similar study and found that historical designations varied in their impact on the value of historically preserved homes. This study indicated that a historic designation may "insulate property values from the cyclical peaks and valleys" evident in some residential markets.[4] Overall, the quantitative research in this field seems to indicate that a historic preservation designation generally can have a stabilizing or moderately positive effect on property values in historic districts; specific effects, however, can vary significantly among different historic districts. ■

[1] *Taunton Redevelopment Associates v. Board of Assessors of Taunton*, 393 Mass. 293, 1984.

[2] *Boston Edison Company v. Board of Assessors of Watertown*, 387 Mass. 298, 1982.

[3] Asabere, Paul K. and Huffman, Forrest E. "Historic Designation and Residential Market Values." *Appraisal Journal* July 1994, Vol. 62, No. 3, p.396-403.

[4] Gale, Dennis G. "The Impacts of Historic District Designation: Planning and Policy Implications." *Journal of the American Planning Association* 1991, Vol. 57, No. 3, p.325-40.

DLS UPDATE

Assessments of Historical Houses

On July 26, 1996 a new provision of the general laws (Ch.59 Sec.5J) was put into effect that allows communities to adopt an ordinance establishing a special policy for the assessment of certain rehabilitated owner-occupied residential buildings. These properties must be listed in the State Register of Historic Places. Under this new provision of the law, any increased property value attributable to the rehabilitation can be assessed for local tax purposes on a phased in basis over five years, rather than when it occurs. In order to be eligible, the rehabilitation must conform to standards of the Massachusetts Historical Commission, a division of the Secretary of State's Office. It is the Secretary of State's Office that is responsible for promulgating regulations for this new provision; these regulations will be announced in January 1997. For more information, municipalities should contact the Massachusetts Historical Commission at (617) 727-8470.

Changes in the Semiannual and Quarterly Preliminary Tax Bills

This summer the legislature amended MGL Ch.59 Sec.23D and Sec.57C, the statutes governing the issuance of semiannual and quarterly preliminary tax bills. The following is a brief summary of these changes and their effect on participating municipalities.

One of the most significant changes to the law authorizes communities to include up to one-half the automatic 2½ percent annual increase in the tax levy allowed under Proposition 2½ and any increase in the tax levy from approved overrides and exclusions with their preliminary, quarterly and semiannual bills. In prior years, communities issuing preliminary tax bills could not bill more than one-half of the prior year's tax levy. As a result, taxpayers had to pay the entire current year's tax increase in the actual tax bills they received in the second half of the year. Since the property tax obligations can now be more evenly distributed over the entire year, this change in the law benefits both municipalities and taxpayers.

Another change in the law allows communities issuing preliminary tax bills under the quarterly tax system to add current year's betterments and unpaid changes to the preliminary tax. In addition, these communities can adjust the tax in cases where a parcel has been subdivided since the prior year. Previously, those additions and adjustments could be made only to preliminary tax bills issued in communities still using the semiannual payment system.

A third change allows communities issuing preliminary tax bills under the quarterly system to issue bills after July 1 rather than before July 1. However, before doing so a community must obtain prior approval from the Commissioner of Revenue. The Commissioner may require submission and approval of a pro forma tax recapitualtion as a condition of such approval. If the bills are issued on or before August 1, the first installment will be due 30 days after the bills are mailed and the second installment on November 1. All other late issued bills will be due in one installment only, on November 1, or 30 days after the date of mailing if later.

The last change affects cities and towns that issue preliminary tax bills in the fall under a semiannual payment system. If a municipality approved any Proposition 2½ overrides or exclusions after they issued their preliminary tax bills, these communities can now increase their tax levy when they set their tax rates in the spring by the approved referenda amount. In previous years, the tax levy was fixed at the time the preliminary tax bills were issued, which meant that any overrides or exclusions approved by the voters after that time could not be used in the current year. ■

Worcester Regional Office Relocates

Effective November 18, 1996 the Division of Local Services' Worcester Regional Office opens up shop in a different location. The new address is:

Division of Local Services
Worcester Office
40 Southbridge Street, Room 210
Worcester, MA 01608

All telephone numbers remain the same for all Bureau of Accounts and Bureau of Local Assessment field representatives. The main Worcester telephone number is (508) 792-7300. The fax number has changed. The new fax number is (508) 421-2310. ■

Municipal Fiscal Calendar

December 15

Taxpayer: *Deadline for Applying for Property Tax Exemptions for Persons*
If tax bills are mailed after September 15, taxpayers have 3 months from the mailing date to file applications for exemptions.

Accountant/Superintendent/School Committee: *Submit Amendments to End of School Year Report to DOE*
Last filing date to impact next year's Chapter 70 State Aid.

December 31

State Treasurer: *Notification of Quarterly Local Aid Payments on or Before December 31*

Taxpayer: *Deadline for Filing Application for Abatement of Motor Vehicle Excise for Prior Calendar Year*

Water/Sewer Commissioners: *Deadline for Betterments to be Included on Next Year's Tax Bill (M.G.L. Ch. 80, Sec. 13 and Ch. 83, Sec. 27)*

Selectmen: *Begin to Finalize Budget Recommendation for Review by Finance Committee*

Assessors: *Mail 3-ABC Forms to All Eligible Non-Profit Organizations*

Collector: *Deadline for Mailing Third Quarterly Tax Bill*

Employment Opportunity

Data Bank/Local Aid Director

The Department's Division of Local Services currently is seeking a director to manage the division's municipal finance database and to oversee the distribution of local aid to cities, towns and regional school districts. This position requires strong database management skills and the ability to maintain data integrity on both mainframe and PC-based systems and the World Wide Web. Applicants must have stong analytical and writing skills and be able to supervise six to eight people. A minimum of five years experience in database management is required and an advanced degree is preferred. Send cover letter and resume to Rick Kingsley, Division of Local Services, P.O. Box 9655, Boston, MA 02114-9655, or fax to (617) 626-2330.

9M-11/96-D697BO4

Data Bank Highlight

New Report on Property Growth Trends

The Data Bank has compiled a new summary report on property tax levy growth allowed under Proposition 2½ for each city and town in the state. The report shows the valuation of residential growth and total property growth for each fiscal year going back to FY92. Also included in the report is the amount of property tax levy growth resulting from the new growth calculation as well as any allowable "amended" tax levy growth reported after the tax rate was set.

To obtain Municipal Data Bank information contact: John Sanguinet at (617) 626-2355 for printed reports and data files; Burt Lewis at (617) 626-2358 for the On-Line Access System; or use the World Wide Web address below. ■

City & Town

City & Town is published 11 times a year by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS World Wide Web site at **http://www.magnet.state.ma.us/dls** or by writing to PO Box 9655, Boston, MA 02114-9655.

Marilyn H. Browne, Editor

CITY & TOWN
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City & Town

Mitchell Adams, Commissioner
Harry M. Grossman, Acting Deputy Commissioner

A Publication of the Massachusetts Department of Revenue's Division of Local Services

Electronic Utilities in an Era of Deregulation

Written by Kay M. Upham

With the passage of the National Energy Policy Act of 1992, the electric utility industry moved into a new era: one of deregulation. In many ways, this act gave individual states a great deal of authority to determine how to encourage competition in the electric utility industry. As a result, in August 1995, the Massachusetts Department of Public Utilities (DPU) announced its goals for restructuring the electric utility industry. These goals focused on deregulating the generation of electricity, not its transmission and distribution. Because this topic is of considerable interest to many local officials, the Division of Local Services (DLS) wants to take this opportunity to discuss the effect of a deregulated industry on municipally-owned electric utilities and to describe some of the possible effects of deregulation of non-municipal utilities on local property tax revenues.

Municipal Electric Utilities

Since its announcement of a proposed restructuring of the industry, DPU has held hearings throughout the state on the proposals and will issue regulations at the beginning of 1997. Because of DPU's rather limited statutory authority over municipal electric utilities, the proposed deregulation of electric generation applies to what the DPU terms "investor-owned utilities" (IOUs). DPU is not requiring that municipally owned utilities participate in the restructuring of the electric generation industry. Rather, DPU acknowledges the role of elected local officials in overseeing municipally-owned utilities. However, DPU is encouraging officials in communities with municipal utilities to voluntarily participate in the deregulated, more competitive, electric industry.

Deregulation's Impact on Property Tax Revenues

From a different perspective, municipalities will feel the effect of a deregulated electric generation industry by virtue of the taxable status of non-municipal utility properties. Once deregulation is in effect, it is likely that it will cause some change in the property values of utilities. A deregulated electric generation industry will mean that an electric utility's profits are no longer determined by a regulatory structure but rather by the competitive forces of supply and demand, plant efficiency and plant capacity. Thus, deregulation could increase the property value if market forces result in a rate of return on capital that exceeds the rate of return on capital in a regulated environment. The reverse situation could also be true, where deregulation decreases property value, if the rate of return on capital in a regulated environment exceeds the rate of return in a deregulated market.

> *Deregulation is intended to lower costs to ratepayers.*

One primary concern of local officials as a result of the deregulation of the electric industry is that some utility companies will have unrecoverable "stranded costs" that will lower the taxable value of these utility companies' property. (Stranded costs are expenses a utility may not recover in a more open, competitive market.) These lower values would subsequently decrease the amount of property tax revenues generated from these utilities. To help alleviate these concerns, DPU has proposed allowing utilities to recover stranded costs through a stranded cost access charge paid by consumers. By doing so, the property tax values of the electric utility could reflect the recovery of stranded costs.

It should be noted however, that not all electric manufacturing properties are subject to local property taxation. Under current statutes, electric generating plants owned by electric utility corporations subject to DPU oversight are taxable on the value of real estate, poles, underground conduits, wires and pipes, and machinery used in manufacturing. [M.G.L. Ch.59 Sec.5 Cl.16(1)] However, electric power

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LEGAL

in Our Opinion

Q: *Is a taxpayer eligible for an abatement if his or her motor vehicle is stolen?*
A: Yes. M.G.L. Ch.60A Sec.1 provides that an abatement will be granted if certain conditions are satisfied. The taxpayer must notify the police within 48 hours of the discovery of the theft of the vehicle; surrender the certificate of registration not less than 30 days after the theft; and present to the assessors a certificate of cancellation of registration from the Registry of Motor Vehicles verifying that the vehicle was stolen.

If an abatement is granted and the stolen vehicle is later recovered and registered in the same calendar year by the same owner, that individual must pay a proportionate part of the excise for those months of the year remaining.

Any person who makes a false report of theft is subject to a penalty of no more than three times the excise due on the vehicle which will be recovered in a civil action by the community to which the excise was payable.

Q: *A town, with state cooperation, was planning a public works or capital project. The town's share of the project was $75,000, of which $65,000 had been appropriated by town meeting and $10,000 was a gift from a citizen group in town. Who is the appropriate party to accept a gift on behalf of the town?*
A: M.G.L. Ch.44 Sec.53A states that "An officer or department of any city or town ... may accept grants or gifts of funds ... and ... may expend said funds for the purposes of such grant or gift ... in towns with the approval of the board of selectmen ... " Under this statute, town meeting approval is not required. Where a gift or grant is intended generally for the town, the board of selectmen must vote to accept the gift or grant. Upon acceptance, the funds may be expended for the purposes of the grant or gift by the selectmen without further appropriation by a duly authorized warrant.

Q: *What is the open space discount?*
A: If property within the community is classified as open space, the selectmen, town council or city council, as the case may be, in their discretion can benefit these parcels by shifting up to 25 percent of the open space share of the tax burden onto the residential class. By adopting an open space discount, the community increases the residential tax rate and decreases the open space tax rate. Few communities in the Commonwealth, however, have adopted the open space discount.

Q: *A parcel is in tax title for unpaid fiscal year 1994 taxes. The collector is preparing to certify or add the fiscal year 1995 taxes to the tax title account. Can the collector calculate interest on any subsequent fiscal year taxes and then add the tax with interest to the tax title account?*
A: Yes. M.G.L. Ch.60 Sec.62 provides that tax title interest accrues on the amount for which the property was originally taken and "each sum certified" or added to the tax title account under M.G.L. Ch.60 Sec.61. Although the latter statute speaks only of subsequent years' tax itself being certified to the tax title account, the Supreme Judicial Court wrote in *City of Boston v. Cable*, 306 Mass. 124, 128 (1940) that interest on such taxes is to be included in the tax title account. M.G.L. Ch.60 Sec.62 also states that interest and costs on subsequently certified taxes must be paid to redeem the parcel. In our view, therefore, the collector should certify unpaid taxes, interest on the taxes computed to the date of certification, and any accrued charges to the tax title account. See in this regard State Tax Form 410. The town treasurer's tax title interest will then accrue on that full amount.

Q: *Can a town deny certain licenses to a tenant if real estate taxes are owed on the parcel in question?*
A: Yes. M.G.L. Ch.40 Sec.57 is a local option statute which permits a city or town by ordinance or by-law to deny any application for, revoke or suspend certain local licenses or permits where there is a tax delinquency. Previously, action under this statute was limited to situations where the owner of the tax delinquent parcel was the applicant or holder of the license or permit. This statute was amended in the 1993 legislative session to allow local licensing authorities to deny, revoke or suspend licenses or permits "with respect to any activity, event or other matter which is the subject of such license or permit and which activity, event or matter is carried out or exercised or is to be carried out or exercised on or about real estate whose owner has neglected or refused to pay any local taxes, fees, assessments, betterments or any other municipal charges." The intent of this broad language is to eliminate the necessity that the delinquent taxpayer be the same legal entity as the party holding or seeking the permit or license. Under the terms of this statute, any applicant or license holder will be given an opportunity to enter into a payment agreement thereby allowing the issuance of the license or permit subject to satisfactory compliance with the agreement. ■

Compiled by James Crowley

Focus on Municipal Finance

Proposition 2½ Referenda in FY96

Since the implementation of Proposition 2½ 15 years ago, the majority of Massachusetts cities and towns have attempted some type of referenda to increase their levy limits beyond the constraints of Proposition 2½. For the most part, communities have attempted Proposition 2½ overrides, debt exclusions and capital expenditure exclusions, although a few communities in recent years have also attempted underrides. Generally speaking, a majority vote in these types of referenda allow communities the flexibility to temporarily or permanently increase their levy limits. A successful override results in a permanent increase in the levy limit which, as part of the levy limit base, increases at a rate of 2½ percent each year. An approved underride permanently decreases a community's levy limit. Successful debt exclusions and capital expenditure exclusions result in a temporary increases in the levy limit for a fixed time period. The amount of the exclusion does not become part of the base for future levy limit calculations.

In this article, we describe the types of Proposition 2½ referenda that taxpayers voted on in FY96. For each type of referenda we examine the outcome in terms of the ballot questions approved or rejected and the total dollar amount voted on each fiscal year. FY96 overrides, FY96 capital expenditure exclusions and calendar year 1995 debt exclusions are discussed separately. We also analyze the referenda questions by their functional categories. Seven of the functional categories used in this analysis conform to the structure used in the Uniform Municipal Accounting System (UMAS) plus an eighth category, general operations, for those ballot questions that have general or multiple purposes. In addition, this year we have expanded our analysis of Proposition 2½ referenda to include a table showing the impact of overrides, debt exclusions and capital expenditure exclusions on the FY96 levy limits.

FY96 Overrides

The most familiar type of Proposition 2½ referendum is the override, a provision which allows a community to increase its levy limit in excess of the automatic annual 2½ percent increase and any increase due to new growth. In FY96, taxpayers in 54 communities voted on 168 override ballot questions. Voters rejected approximately two-thirds of these ballot questions. Taxpayers approved a total of 54 override questions that added $8.4 million (or 31.6 percent of the total amount attempted) to the levy limit. However, in four cases the communities chose not to apply the entire amount approved in the referenda to the levy limit. As a result, only $7.8 million was actually added to the FY96 levy limit. The FY96 overrides, as applied to the FY96 levy limit, are shown in *Table 1*.

With respect to the types of overrides attempted in FY96, the education category accounted for the largest number of ballot questions attempted and ballot questions approved. The education overrides approved exceeded $5 million or 28.2 percent of the amount attempted. Public works accounted for the second highest number of override attempts; although, voters approved only 9 of the 41 questions or 37.8 per-

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Figure 1

	FY96 Overrides				FY96 Capital Expenditure Exclusions				CY95 Debt Exclusions	
	No. of Losses	Amount Rejected	No. of Wins	Amount Approved	No. of Losses	Amount Rejected	No. of Wins	Amount Approved	No. Losses	No. Wins
Culture & Recreation	10	316,338	7	70,380	1	25,000	2	36,500	7	10
Funds	1	30,000	0	0	0	0	0	0	0	0
General Government	22	602,686	4	274,125	3	125,359	2	83,000	10	11
General Operating	6	1,020,028	3	840,168	2	381,560	1	160,800	2	2
Health & Human Services	0	0	1	1,000	0	0	2	25,000	1	1
Public Safety	18	680,594	7	692,308	15	648,158	7	346,076	10	21
Public Works	32	1,928,765	9	1,172,300	16	873,636	16	836,800	13	34
Education	25	13,554,809	23	5,443,950	2	109,657	4	160,508	17	58
Total	114	18,133,220	54	8,383,231	39	2,163,370	34	1,648,684	60	137

Impact of Proposition 2½ Referenda on the FY96 Levy Limits

Municipality	- A - Overrides	- B - Debt Exclusions*	- C - Capital Exclusions	FY96 Total Levies	(A+B+C) As Pct Of Levy
Abington		524,430		11,520,486	4.6%
Acton		401,973		27,440,635	1.5%
Acushnet				5,614,877	0.0%
Adams		250,002		5,240,951	4.8%
Agawam				22,327,740	0.0%
Alford		110,418		608,883	18.1%
Amesbury		1,594,270		14,050,090	11.3%
Amherst		173,383		17,705,039	1.0%
Andover		2,196,000		50,284,408	4.4%
Arlington				46,586,654	0.0%
Ashburnham	371,933	199,625	179,275	4,192,139	17.9%
Ashby		133,736		2,147,711	6.2%
Ashfield		144,826		1,479,738	9.8%
Ashland		660,532	70,800	14,362,677	5.1%
Athol		94,679		4,303,288	2.2%
Attleboro				25,660,224	0.0%
Auburn				13,237,354	0.0%
Avon		159,750		6,398,364	2.5%
Ayer		105,900		7,408,819	1.4%
Barnstable		3,584,295		53,269,222	6.7%
Barre		566,186		2,749,265	20.6%
Becket		64,719		1,955,405	3.3%
Bedford		1,304,000		22,535,320	5.8%
Belchertown		471,164		9,000,847	5.2%
Bellingham		1,419,225		13,994,047	10.1%
Belmont		906,860		33,186,674	2.7%
Berkley		254,208		3,040,288	8.4%
Berlin		97,997	5,000	2,542,060	4.1%
Bernardston		9,360		1,444,287	0.6%
Beverly				37,703,526	0.0%
Billerica		226,561		41,014,413	0.6%
Blackstone				4,898,279	0.0%
Blandford		34,197		873,696	3.9%
Bolton				5,286,923	0.0%
Boston				719,435,745	0.0%
Bourne		925,705		17,446,143	5.3%
Boxborough		688,840		6,413,147	10.7%
Boxford		523,033	215,000	8,911,759	8.3%
Boylston	54,000	6,188		3,550,708	1.7%
Braintree				36,621,666	0.0%
Brewster	70,000	3,070,635		13,600,534	23.1%
Bridgewater		113,195		13,516,443	0.8%
Brimfield		179,469		2,546,798	7.0%
Brockton				58,742,157	0.0%
Brookfield		211,912		1,930,986	11.0%
Brookline		631,133		80,820,098	0.8%
Buckland		88,358		1,578,523	5.6%
Burlington				37,670,843	0.0%
Cambridge				144,441,845	0.0%
Canton				25,032,142	0.0%
Carlisle		980,321		8,382,790	11.7%
Carver		396,267		9,472,107	4.2%
Charlemont		41,309		1,162,534	3.6%
Charlton		562,069		5,819,506	9.7%
Chatham	514,113	2,500,311	138,600	13,774,761	22.9%
Chelmsford		3,829,341		39,032,020	9.8%
Chelsea				16,989,492	0.0%
Cheshire		93,826		1,528,222	6.1%
Chester		22,844		967,074	2.4%
Chesterfield		14,931		1,080,614	1.4%
Chicopee				34,026,862	0.0%
Chilmark		223,247		2,354,041	9.5%
Clarksburg				832,943	0.0%
Clinton				7,907,939	0.0%
Cohasset	358,000	189,397		12,084,059	4.5%
Colrain		7,345	19,000	1,325,736	2.0%
Concord		279,059		27,810,113	1.0%
Conway	155,000	223,906		1,921,759	19.7%
Cummington		94,548	15,000	825,653	13.3%
Dalton		197,919		5,151,044	3.8%
Danvers				30,308,493	0.0%
Dartmouth				21,355,652	0.0%
Dedham				28,382,904	0.0%
Deerfield	602,515	332,984		4,309,370	21.7%
Dennis	90,000	1,632,760		16,441,406	10.5%
Dighton				4,701,730	0.0%
Douglas		498,789		4,599,236	10.8%
Dover		560,994		10,021,776	5.6%
Dracut				18,989,588	0.0%
Dudley		216,716		3,645,708	5.9%
Dunstable		618,929		2,703,207	22.9%
Duxbury		301,050		21,730,178	1.4%
E Bridgewater		322,200		9,580,174	3.4%
E Brookfield				901,946	0.0%
E Longmeadow		266,900		15,566,992	1.7%
Eastham		1,355,450		8,865,882	15.3%
Easthampton	120,000	423,341		9,073,489	6.0%
Easton		356,120		18,798,662	1.9%
Edgartown		1,372,836	235,000	8,842,647	18.2%
Egremont		246,066		1,571,965	15.7%
Erving				2,442,961	0.0%
Essex		35,567		3,203,331	1.1%
Everett				42,139,379	0.0%
Fairhaven				12,192,655	0.0%
Fall River				35,722,154	0.0%
Falmouth		2,493,068		37,856,988	6.6%
Fitchburg				20,201,412	0.0%
Florida				1,052,668	0.0%
Foxborough		984,049		15,521,778	6.3%
Framingham				75,865,944	0.0%
Franklin		830,615		22,792,450	3.6%
Freetown				6,499,902	0.0%
Gardner				9,993,237	0.0%
Gay Head		117,434		1,107,013	10.6%
Georgetown		745,060		6,318,968	11.8%
Gill		4,865		922,050	0.5%
Gloucester				31,657,910	0.0%
Goshen		30,000		935,252	3.2%
Gosnold				233,105	0.0%
Grafton		344,832		9,760,282	3.5%
Granby		116,111		3,833,485	3.0%
Granville		103,500		1,326,289	7.8%
Gt Barrington		342,000		7,599,742	4.5%
Greenfield		411,313		13,854,994	3.0%
Groton		1,426,911		9,450,050	15.1%
Groveland		436,525		4,476,617	9.8%
Hadley		785,278		4,266,974	18.4%
Halifax		242,123		5,028,512	4.8%
Hamilton		136,840	188,000	9,103,366	3.6%
Hampden		321,948	12,000	4,491,412	7.4%
Hancock				582,424	0.0%
Hanover				14,190,363	0.0%
Hanson	200,000	578,956		7,580,210	10.3%
Hardwick		217,710		1,675,132	13.0%
Harvard		452,757		6,660,785	6.8%
Harwich		2,666,139	12,400	17,905,878	15.0%
Hatfield		142,670		2,946,509	4.8%
Haverhill		570,530		38,396,279	1.5%
Hawley		10,113		336,567	3.0%
Heath		79,000		847,976	9.3%
Hingham		1,951,380		30,015,120	6.5%
Hinsdale				1,450,396	0.0%
Holbrook	396,875	875,968		9,898,636	12.9%
Holden		622,287		13,035,267	4.8%
Holland		10,600		2,423,269	0.4%
Holliston		349,505		14,670,657	2.4%
Holyoke				25,564,562	0.0%
Hopedale				5,340,361	0.0%
Hopkinton		748,128		14,548,914	5.1%
Hubbardston		254,039		2,289,169	11.1%
Hudson				17,531,943	0.0%
Hull		369,563		11,577,696	3.2%
Huntington				1,380,546	0.0%
Ipswich				12,588,296	0.0%
Kingston		294,945		10,030,147	2.9%
Lakeville		37,706		6,843,837	0.6%
Lancaster		39,472		4,126,837	1.0%
Lanesborough				3,344,887	0.0%
Lawrence				28,759,443	0.0%
Lee		395,870		5,489,339	7.2%
Leicester		223,121		5,678,669	3.9%
Lenox		482,505		5,803,926	8.3%
Leominster				27,984,767	0.0%
Leverett		131,754		2,006,427	6.6%
Lexington	1,500,000	1,412,532		53,185,783	5.5%
Leyden		44,322		713,916	6.2%
Lincoln		1,057,572		10,888,935	9.7%
Littleton		440,609		10,053,054	4.4%
Longmeadow		801,657		21,063,344	3.8%
Lowell				60,994,464	0.0%
Ludlow				13,589,178	0.0%
Lunenburg		112,624		7,938,284	1.4%
Lynn				48,960,339	0.0%
Lynnfield		479,750		13,916,586	3.4%
Malden				36,111,034	0.0%
Manchester		454,451		8,912,371	5.1%
Mansfield		1,500,023		20,783,760	7.2%
Marblehead		558,925		24,642,554	2.3%
Marion	65,863	214,748	52,800	6,661,379	5.0%
Marlborough				40,879,473	0.0%
Marshfield				23,198,412	0.0%
Mashpee		1,517,090		17,126,513	8.9%
Mattapoisett	21,950	406,131		7,617,825	5.6%
Maynard				11,227,048	0.0%
Medfield	350,000	1,215,237		14,395,082	10.9%
Medford				46,022,007	0.0%
Medway		397,350		10,983,806	3.6%
Melrose				25,887,300	0.0%
Mendon		163,940		3,635,539	4.5%
Merrimac		578,761		4,179,253	13.8%

Municipality	- A - Overrides	- B - Debt Exclusions*	- C - Capital Exclusions	FY96 Total Levies	(A+B+C) As Pct Of Levy
Methuen				32,501,492	0.0%
Middleborough				13,539,634	0.0%
Middlefield				478,192	0.0%
Middleton		297,074		6,923,715	4.3%
Milford				24,577,204	0.0%
Millbury		119,512		7,933,292	1.5%
Millis	171,000	796,598		7,528,742	12.9%
Millville		202,484		1,830,931	11.1%
Milton	1,391,219	593,331		29,614,878	6.7%
Monroe				223,917	0.0%
Monson		461,291		5,536,244	8.3%
Montague		20,286		6,149,677	0.3%
Monterey		187,657		1,346,806	13.9%
Montgomery		4,266		672,986	0.6%
Mt Washington				189,002	0.0%
Nahant				3,891,769	0.0%
Nantucket		3,478,163		22,287,470	15.6%
Natick				38,640,056	0.0%
Needham		1,886,242		40,966,690	4 6%
New Ashford		3,500		162,305	2.2%
New Bedford				48,808,899	0.0%
New Braintree				632,889	0.0%
New Marlboro		310,433		1,818,149	17.1%
New Salem		67,325		595,649	11.3%
Newbury		561,147		6,186,201	9.1%
Newburyport				18,278,788	0.0%
Newton				129,682,983	0.0%
Norfolk		468,147		9,069,110	5.2%
N Adams				7,245,079	0.0%
N Andover		268,200		24,264,595	1.1%
N Attleboro				19,423,914	0.0%
N Brookfield				2,230,963	0.0%
N Reading		713,728		15,714,542	4.5%
Northampton		304,290		20,081,725	1.5%
Northborough				14,991,068	0.0%
Northbridge		150,660		7,047,703	2.1%
Northfield		159,954		2,430,903	6.6%
Norton				11,548,724	0.0%
Norwell				13,957,442	0.0%
Norwood				27,920,266	0.0%
Oak Bluffs		1,337,126		8,082,455	16.5%
Oakham				962,792	0.0%
Orange		139,064		4,140,447	3.4%
Orleans	150,739	1,893,718		11,111,898	18.4%
Otis	95,222			2,019,721	4.7%
Oxford				7,910,315	0.0%
Palmer		1,023,136		8,364,066	12.2%
Paxton		59,549		3,611,169	1.6%
Peabody				36,440,711	0.0%
Pelham				1,435,986	0.0%
Pembroke				13,811,611	0.0%
Pepperell		271,328		7,461,060	3.6%
Peru				660,279	0.0%
Petersham				889,803	0.0%
Phillipston		36,000		866,932	4.2%
Pittsfield				34,690,419	0.0%
Plainfield		18,699		654,640	2.9%
Plainville				5,719,890	0.0%
Plymouth		1,562,616		61,806,918	2.5%
Plympton				2,602,710	0.0%
Princeton		219,090		3,623,307	6.0%
Provincetown				6,825,224	0.0%
Quincy				78,808,816	0.0%
Randolph				23,454,926	0.0%
Raynham		62,663		8,656,895	0.7%
Reading				25,688,526	0.0%
Rehoboth				7,162,890	0.0%
Revere				34,050,085	0.0%
Richmond				2,085,648	0.0%
Rochester		340,630		3,735,265	9.1%
Rockland		968,853		11,971,783	8.1%
Rockport		1,299,457		9,296,753	14.0%
Rowe				1,535,024	0.0%
Rowley		318,003	6,000	4,495,519	7.2%
Royalston				548,788	0.0%
Russell				1,137,772	0.0%
Rutland				3,404,731	0.0%
Salem				40,161,461	0.0%
Salisbury				6,443,421	0.0%
Sandisfield		13,800		1,067,310	1.3%
Sandwich		1,174,804		20,523,441	5.7%
Saugus				26,931,614	0.0%
Savoy		16,254		447,509	3.6%
Scituate				20,686,208	0.0%
Seekonk		295,175		14,491,713	2.0%
Sharon		690,447		21,310,155	3 2%
Sheffield		293,585		3,818,069	7.7%
Shelburne		97,951		1,514,348	6.5%
Sherborn		808,787		8,710,692	9.3%
Shirley			15,000	3,029,239	0.5%
Shrewsbury		278,000		23,470,025	1.2%
Shutesbury	64,524	159,100		2,047,562	10.9%
Somerset		382,005		23,765,539	1.6%
Sommerville				45,349,223	0.0%
South Hadley				11,034,624	0.0%
Southampton		121,534		3,541,839	3.4%
Southborough		397,163		10,537,368	3.8%
Southbridge		439,435		8,453,079	5.2%
Southwick				5,894,696	0.0%
Spencer		435,616		5,001,751	8.7%
Springfield				93,590,622	0.0%
Sterling		179,090	26,600	6,005,593	3.4%
Stockbridge				3,390,896	0.0%
Stoneham		707,274		21,805,363	3.2%
Stoughton				25,776,128	0.0%
Stow		490,825	29,000	7,755,013	6.7%
Sturbridge		598,020		8,063,738	7.4%
Sudbury		1,818,709		27,071,563	6.7%
Sunderland	138,321	256,666		2,323,613	17.0%
Sutton		358,308		5,982,005	6.0%
Swampscott		652,535		19,076,438	3.4%
Swansea		175,926		11,932,982	1.5%
Taunton				31,431,622	0.0%
Templeton	21,184	328,121		2,348,649	14.9%
Tewksbury		594,012		26,755,513	2.2%
Tisbury		1,160,480		8,625,691	13.5%
Tolland		16,141		392,072	4.1%
Topsfield	50,872	60,575	197,208	7,090,131	4.4%
Townsend	30,000	1,051,569		6,956,113	15.5%
Truro	3,000	502,648		3,969,762	12.7%
Tyngsborough		904,030		9,640,722	9.4%
Tyringham		36,000		648,342	5.6%
Upton		202,350		4,030,690	5.0%
Uxbridge		370,371		7,898,360	4.7%
Wakefield				27,297,007	0.0%
Wales				1,218,692	0.0%
Walpole		242,441		21,819,189	1.1%
Waltham				68,247,969	0.0%
Ware		140,000		5,587,988	2.5%
Wareham				16,258,968	0.0%
Warren		326,223		2,605,562	12.5%
Warwick		7,646		669,900	1.1%
Washington				412,978	0.0%
Watertown		36,000		34,382,955	0.1%
Wayland		2,154,292		23,967,063	9.0%
Webster				8,326,499	0.0%
Wellesley		1,058,936		39,366,802	2.7%
Wellfleet	122,073	721,303	53,000	5,717,184	15.7%
Wendell		44,538		828,674	5.4%
Wenham		168,555		4,666,728	3.6%
W Boylston		371,649		6,279,053	5.9%
W Bridgewater		225,060		7,424,758	3.0%
W Brookfield		244,084		2,338,461	10.4%
W Newbury		358,351		4,552,237	7.9%
W Springfield				27,348,316	0.0%
W Stockbridge		78,002		2,186,229	3.6%
W Tisbury	124,875	571,688		4,822,373	14.4%
Westborough				21,129,419	0.0%
Westfield				27,706,212	0.0%
Westford		760,954		20,839,868	3.7%
Westhampton		189,613		1,423,668	13.3%
Westminster		704,942	45,000	5,157,302	14.5%
Weston		2,270,573		24,485,372	9.3%
Westport		306,888		10,265,605	3.0%
Westwood	560,413	620,107		23,452,925	5.0%
Weymouth				42,139,711	0.0%
Whately		313,167		1,818,819	17.2%
Whitman		1,608,500		10,337,276	15.6%
Wilbraham		219,184		13,050,685	1.7%
Williamsburg		24,499		1,981,097	1.2%
Williamstown		63,415		6,358,119	1.0%
Wilmington		492,456		26,383,810	1.9%
Winchendon		112,194		4,388,562	2.6%
Winchester				30,858,882	0.0%
Windsor		52,697		681,866	7.7%
Winthrop		214,275		10,466,844	2.0%
Woburn				38,567,221	0.0%
Worcester				114,479,284	0.0%
Worthington		81,162		1,071,923	7.6%
Wrentham				9,518,648	0.0%
Yarmouth		1,245,939		24,275,236	5.1%
Total	7,793,691	125,757,877	1,514,683	5,920,694,307	2.3%

	Underride
Plymouth	2,000,000

* Debt service payable in FY96 for projects covered by debt exclusions approved in the current and previous years.

Table 1

Proposition 2½ Referenda in FY96
➡ *continued from page three*

cent of the amounts attempted. There were also a number of general government (26) and public safety (25) ballot questions; voters approved four of the former and seven of latter. More information on the FY96 overrides can be found in *Figure 1*.

At the opposite end of the spectrum are underrides. Since they reduce the base upon which future year's levy limits are calculated, successful underride referenda result in a permanent decrease in a community's levy limit. Over the past 15 years, only a handful of communities have attempted underrides. The most recent occurred in FY96 when Plymouth residents approved a $2 million underride last fall.

FY96 Capital Expenditure Exclusions

Capital expenditure exclusions allow voters to raise property taxes, for a single year only, in excess of the levy limit to fund certain capital projects. For capital expenditure exclusions, the approved amount of the exclusion is added to the levy limit only for the year in which the project is undertaken or acquisition made. In FY96, taxpayers in 26 communities voted on a total of 73 capital expenditure exclusions. Voters approved a total of 34 capital exclusion questions that added $1.6 million (or 43.2 percent of the total amount attempted) to the levy limit. As was the case with overrides, four communities chose not to apply the approved amount to the levy limit. As a result, only $1.5 million was actually added to the FY96 levy limit. Data on FY96 capital exclusions is shown in *Table 1*.

As for the types of capital expenditure exclusions attempted in FY96, the most common categories of exclusions were public works and public safety; accounted for 32 and 22 ballot questions respectively. Voters approved 48.9 percent of the amounts sought in the public works category and 34.8 percent of the amounts sought in the public safety category. Communities also attempted six education, five general government, three culture and recreation, three general operations, and two health and human services exclusions. *Figure 1* shows FY96 capital exclusions by functional category.

CY95 Debt Exclusions

The last type of Proposition 2½ referendum we examine in this analysis is the debt exclusion. A debt exclusion allows voters to approve a temporary increase in the levy limit to fund the payment of special debt service costs. The additional amount of a debt exclusion vote is applied to the levy limit for each year of the life of the obligation. Therefore, the debt exclusion amounts listed in *Table 1* reflect the impact of debt exclusions on the FY96 levy limit. (Note that the amounts listed in *Table 1* are debt service amounts payable in FY96 for projects covered by approved debt exclusions. These debt exclusions may have been approved in previous years.)

Because debt exclusions do not apply to a particular fiscal year at the time of the vote, *Figure 1* shows the number, rather than the amount, of the debt exclusions voted on in calendar year 1995. That year 96 cities and towns attempted 197 debt exclusion votes and approved 137 or 69.5 percent of them. The majority of the debt exclusion ballot questions were in three categories: education (75), public works (47) and public safety (31). ■

Written by Kay M. Upham

Data contributions by John Hegarty

Electric Utilities in an Era of Deregulation
➡ *continued from page one*

plants owned by non-regulated entities are subject to local taxation based on other provisions of M.G.L. Ch.59.

An example of non-regulated manufacturers of electricity are entities that are incorporated and classified as manufacturing by the Commissioner of Revenue; these entities are exempt from taxation on all machinery, including electric generating machinery. [M.G.L. Ch.59 Sec.5 Cl.16(3)] However, non-regulated partnerships generating electricity are taxable on that machinery and other personal property. M.G.L. Ch.59 Sec.18(Sixth) Thus, formerly regulated utilities may incorporate and seek manufacturing status to avoid taxation on machinery and thereby become more competitive with other manufacturers of electricity. This could have a significant effect on the tax rate in communities with electric utility property making up a large portion of the tax base. Recently, the Massachusetts Municipal Association sponsored a bill to amend Ch.59 so that no property (except property covered under Clause 44) can be exempt from taxation if it is used in the manufacture or generation of electricity.

Summary

The deregulation of electric utilities is intended to accomplish several important goals including offering flexibility in choosing electric utility providers and lowering costs to ratepayers. However, the full impact of deregulation on both municipal owned utilities and ratepayers will not be fully known until the implementation process is well underway. Even then, there will still be a number of questions that will remain unanswered until the industry adjusts to the structural changes. DLS plans to monitor the situation and will keep cities and town officials up-to-date as changes in the electric utility industry unfold. ■

DLS UPDATE

Title 5 Septic Repair Financing Update

Over the past few years, the Commonwealth has expanded the types and availability of Title 5 septic repair financing alternatives. Recently state officials from the Executive Office of Administration and Finance, the Department of Environmental Protection (DEP), the Department of Revenue (DOR), the Massachusetts Water Pollution Abatement Trust (MWPAT) and the Massachusetts Housing Finance Agency (MHFA) determined program requirements and criteria for the Homeowner Septic Repair Loan Program and the Community Septic Management Program. The following is a brief description of these two programs.

Homeowner Septic Repair Loan Program

DEP and MHFA have been working in conjunction with DOR to administer the Homeowner Septic Repair Loan Program. Under this program, three types of state loan subsidies for septic system repair projects are available to homeowners; eligibility is determined by income criteria in accordance with HUD standards. The loan subsidies will effectively:

- reduce the net interest rate to zero percent for low income homeowners whose septic repair circumstances have been deemed an "imminent health hazard" under DEP regulations;
- reduce the net interest rate to five percent for low and moderate income homeowners eligible under MHFA income standards; and
- reduce the net interest rate to eight percent for low income homeowners that exceed the base MHFA income standard by up to a multiple of two but are less than twice the MHFA income standard.

Community Septic Management Program

MWPAT and DEP administer the Community Septic Management Program that provides interest-free loans and grants to communities so that they can establish betterment loan programs for resident homeowners. Communities can choose from a variety of program options in order to fit the specific needs of their homeowners. DEP is estimating the approval of $30 million in projects.

Workshops

Workshops explaining these programs and their application procedures will be held in early 1997. Information regarding the date, time, and location of the workshops is available from the four DEP regional offices. Call Patrick Rogers, (508) 946-2836 (Southeast); Vivek Joshi, (617) 932-7742 (Northeast); Michael DiBara, (508) 767-2850 (Central); and Anita Kelman, (413) 784-1100 ext.353 (Western). ■

Certification Program for Public Purchasing Officials

The Office of the Inspector General is providing a certification program for public purchasing officials. Four types of certifications will be offered: a general program and three specialized programs. The specialized certification programs are (1) supplies and services; (2) design and construction; and (3) energy savings contracting.

The first of the two-day general certification programs is scheduled for January and February 1997. Participants must complete the general certification course before taking one of the specialized courses. Completion of the general and one specialized program entitles the participant to the desingation of Massachusetts Certified Public Purchasing Official (MCPPO). For more information please call (617) 727-9140. ■

On-line Procurement System Available

Local officials should be aware that the state has implemented a new on-line procurement system. This system allows anyone interested in procurement information to access data on what state contracts are available and the vendors currently holding contracts with the state. Eventually, municipalities will be able to use this system to solicit their own procurement bids electronically. The address for this Internet procurement site, developed by the Operational Services Division (OSD), Massachusetts Highway Department (MHD) and Division of Capital Planning (DCPO), is http://www.magent.state.ma.us/Comm-Pass/

By accessing this site, local officials can retrieve information on:

- state purchasing contracts;
- recent contract awards;
- state procurement regulations;
- vendor requirements; and
- answers to frequently asked questions.

Local officials may call 1-888-627-8283, send email to Comm-Pass@state.ma.us or mail questions to Comm-Pass, c/o Operational Services Division, One Ashburton Place, Rm. 1017, Boston, MA 02108-1552. ■

Municipal Fiscal Calendar

January 1
Assessors: *Property Tax Assessment Date*
This is the effective date (not for exemption purposes) for statewide assessed value for all property for the following fiscal year.

January 31
Treasurer: *File IRS Form 5500 (Report of Employee Benefit Plan)*
This is required if you provide a Fringe Benefit Plan giving Pre-Tax Insurance and/or Cafeteria Plan Benefits to employees and if that plan annually ends on June 30.

Employment Opportunity

Data Bank/Local Aid Director
The Department's Division of Local Services currently is seeking a director to manage the division's municipal finance database and to oversee the distribution of local aid to cities, towns and regional school districts. This position requires strong database management skills and the ability to maintain data integrity on both mainframe and PC-based systems and the World Wide Web. Applicants must have strong analytical and writing skills and be able to supervise six to eight people. A minimum of five years experience in database management is required and an advanced degree is preferred. Send cover letter and resume to Rick Kingsley, Division of Local Services, PO Box 9655, Boston, MA 02114-9655, or fax to (617) 626-2330.

Data Bank Highlight

Proposition 2½ Referenda Data

The Data Bank maintains extensive information on Proposition 2½ overrides, underrides, debt exclusions and capital expenditure exclusions from FY90 to the present. Specifically, our data shows the community, type of question, date, vote count and purpose. Data are available for individual towns and for all 351 communities and can be obtained in printout or spreadsheet format. Historical summary information on Proposition 2½ referenda is also available.

To obtain Municipal Data Bank information contact: John Sanguinet at (617) 626-2355 for printed reports and data files; Burt Lewis at (617) 626-2358 for the On-Line Access System; or use the World Wide Web address below. ■

City & Town

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Marilyn H. Browne, Editor

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Amended Federal Single Audit Act of 1996

Written by Ellis Fitzpatrick

In 1984, Congress passed the Federal Single Audit Act which replaced a variety of previous audit requirements for state and local governments receiving federal grants. Ten years later, the Single Audit Act underwent a performance evaluation by the US Government Accounting Office. The evaluation concluded that the act had generally been successful, but improvements in the audit process could be made. Based upon the evaluation recommendations, Congress amended the Single Audit Act in July of 1996. Changes resulting from that act will be effective for the fiscal year ending June 30, 1997. In this article we discuss several of the amendments and their impact on municipalities.

Definitions:

Audit — an independent examination of the financial statements, procedures, programs and financial data to determine compliance with statutes, regulations and accounting standards.

Program Audit — an examination of the programs for which funds are received to establish whether the programs meet the stated goals and objectives.

Audit Threshold

Under the Single Audit Act of 1984, any community that received $100,000 or more in federal financial assistance in one year had to complete an audit. Communities that received $25,000 to $100,000 of federal financial assistance had the option of completing a single audit for the municipality or performing a program specific audit. In the revised act, the threshold increases significantly. The grantee is not required to obtain an audit unless $300,000 or more is *expended* in one year. Not only does this change the full audit requirement for entities expending less than $300,000, but it allows entities receiving funds from only one program to have a program audit rather than a full audit. Furthermore, the revised act enables the Office of Management and Budget (OMB) Director to review the audit threshold every two years and adjust it upward if circumstances warrant.

Uniform Audit Requirements

Currently, institutions of higher education and other non-profit institutions (such as non-profit community transportation and education organizations) must comply with a set of federal guidelines and requirements for auditing purposes (OMB Circular A-133). The revisions to the Single Audit Act will require entities to share the same requirements as state and local governments.

Definition of Federal Assistance

Since 1984, the term federal assistance has been defined as the direct and indirect (pass-through funds via states) federal funding of programs. In 1987, OMB guidelines amended the definition to include other forms of assistance such as surplus property and food commodities. Under the newly revised act, federal financial assistance is defined as assistance that non-federal entities receive or administer such as grants, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, food commodities, and direct appropriations. Furthermore, federal programs are defined by their federal domestic catalog numbers. The use of catalog numbers allows the consolidation of closely related programs for auditing purposes.

Audit Deadline

Currently, audits must be completed within 13 months after the period audited. Municipalities submit audit reports to the Department of Revenue's Division of Local Services for review and subsequent submission to the OMB clearinghouse. Under the revised act, the audit deadline date is reduced to nine months after the period audited. The nine-month deadline can be extended if the federal agency deems that the time-frame would place an undue burden on the audited entity. However, there is a two-year grace period before this requirement becomes effective in FY99.

Change for Auditors

The new amendments to the Single Audit Act also require that auditors change the way they perform audits of federal programs. For example, when

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LEGAL

in Our Opinion

Q: *A taxpayer owns 20 acres of forest land. The land was classified under M.G.L. Ch.61 and thereby received favorable tax treatment. The 10-year forestry certificate expired on December 31, 1995. For fiscal year 1997 the parcel will be assessed at full value under Chapter 59. Will the parcel be subject to penalty tax if the forest land classification expires at the end of a 10-year certification without a renewal of certification?*

A: Yes. M.G.L. Ch.61 Sec.7 states that "When the owner of classified land withdraws such land or any part thereof from *classification* ... he or she shall pay to the city or town a withdrawal penalty tax. ..." Furthermore, the State Forester's regulations (304 C.M.R. 8.00) define classification under M.G.L. Ch.61 as "the tax status attaching by operation of law to all land qualifying *under this chapter.* ..." In this instance, the statute requires a withdrawal penalty tax encompassing fiscal years 1987 to 1996 inclusive. Since the 10-year certification period was completed, the taxpayer will be able to offset the amount owed by any stumpage taxes paid for fiscal years 1987 to 1996. Interest is added to each year's repayment amount. The rate of interest varies. (For more information on rates, refer to DOR's Technical Information Release 96-1.)

Q: *Is there a legal requirement that betterments and special assessments be paid in full when a parcel is sold?*

A: No. M.G.L. Chs. 80 and 83, which pertain to assessments and betterments, do not require that the unpaid apportioned balance of a betterment or special assessment be paid when the subject parcel is conveyed. Generally, however, full payment is made since the buyer's mortgage company requires it. If unpaid at the time of closing, the betterment or assessment remains a lien on the property and the buyer continues to make payments in accordance with the apportionment schedule.

Q: *May a municipality establish a local Arts Council that sponsors events and receives revenue from paid admissions, grants and gifts?*

A: Yes. Pursuant to M.G.L. Ch.10 Sec.58, a city or town may form a local Arts Council to distribute arts lottery funds and other revenues. A local arts council may conduct various activities to promote the arts and derive revenue from ticket sales. All funds received which include ticket sales, grants and gifts must be deposited in the Arts Council Revolving Fund. Any interest earned belongs to the revolving fund. The local Arts Council makes expenditures from the fund for future activities, without further appropriation, except that the expenditure of any amounts held in the fund for more than 12 months also requires the approval of the selectmen, or mayor, city council, city or town manager.

A local Arts Council may establish a subcommittee of no less than two members and may delegate the authority to approve all payrolls and vendor payments.

Q: *Are Cherry Sheets and tax rate recap sheets open to public inspection?*

A: Yes. Under M.G.L. Ch.4 Sec.7 (26), all data, regardless of physical form or characteristics, made or received by any municipal officer or employee is public, unless it falls within one of the exemption provisions contained in paragraphs (a) to (m). These exemption provisions, however, are strictly construed. There is also a presumption that the record sought to be obtained is public, and the burden of proof is on the custodian of the record to show if some exemption applies. In this case, there is no basis for refusing to allow inspection of tax rate information and local aid distributions. Accordingly, local officials must disclose the tax recap and Cherry Sheets to any requester at reasonable times and without unreasonable delay, and provide copies upon payment of the fee prescribed in the Secretary of State's Fee Schedule (950 CMR 32.06).

Q: *Can a community place in a revolving fund any amounts received as reimbursement for medically necessary services provided to special needs students under the federal Medicaid program?*

A: No. M.G.L. Ch.44 Sec.72 provides that such receipts shall be considered unrestricted revenue of the city, town or regional school district. M.G.L. Ch.44 Sec.70 also specifically prohibits the use of Medicaid reimbursements even to pay the costs of recovering the reimbursement without further appropriation. Accordingly, such funds must be deposited into the general fund, and cannot be credited to a revolving fund for departmental programs under M.G.L. Ch.44 Sec.53E½, or any other provision of law.

Q: *A town board of selectmen is deliberating whether to place a Proposition 2½ debt exclusion on the ballot. There are five members and a two-thirds vote of the selectmen is required under M.G.L. Ch.59 Sec.21C(K). Does the "two-thirds" in the statute refer to the full board or merely to a quorum?*

A: The two-thirds vote refers to the full board. In the case at hand, four selectmen must approve this action. We rely on a 1946 Opinion of the Attorney General to The Massachusetts Aeronautics Commission. The Commission had inquired as to what constituted action by a majority of that board. The Attorney General ruled that "[a]lthough a majority of the commission constitutes a quorum which may transact neces-

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Focus on Municipal Finance

Lottery Revenues: A Source of Aid for Municipalities

Using a lottery to raise revenues is a concept that dates back to colonial America. The early settlers used a lottery to generate funds to support the revolutionary army. By the nineteenth century however, scandal and corruption led to the prohibition of lotteries. It was not until 1964 that New Hampshire legalized the first modern state lottery to fund state programs. Seven years later, Massachusetts passed legislation authorizing the creation of a state lottery. Since then, the number, types and revenues of lottery games have increased significantly. In this article, we explain how revenues from the state lottery provide funding for a variety of programs, while focusing primarily on the Cherry Sheet lottery receipt program. We also explain how the Cherry Sheet lottery formula calculates aid payments to cities and towns. In addition, we analyze the historical trends of these lottery distributions. Lastly, we briefly report on the state revenues generated from the various types of lottery sales in FY96.

The Commonwealth authorized the creation of a state lottery through the enactment of Ch.813 of the Acts of 1971. This act created a commission responsible for the administration of a lottery and a special fund for the revenues generated by lottery sales. This fund, aptly named the state lottery fund, disburses payments for prizes and distributions to the local aid fund. The local aid fund, supported by revenues generated from all the lottery games except Megabucks and Mass Millions, provides state assistance to cities and towns. The most well-known of these state aid programs is the Cherry Sheet lottery receipt program. The local aid fund however, contributes to the support of many other programs and agencies including the Board of Library Commissioners, district attorneys, the Emergency Finance Board, the State Ethics Commission and the Division of Local Services.

Cherry Sheet Lottery Aid

As previously mentioned, the lottery aid account, the second largest Cherry Sheet aid program, is funded from the net revenues from several lottery games. The aid each community receives is considered general purpose financial assistance. These aid payments are made quarterly, although the total amount of the annual distribution is stipulated in Section 3 of the state budget. Since no local action is needed to receive lottery funds, cities and towns automatically receive this aid.

The Cherry Sheet lottery receipt program is a formula driven aid program. The lottery formula is equalizing, so that municipalities with lower property values receive proportionately more aid than those with greater property values. The primary components of the calculation are population and Equalized Property Valuations (EQVs). The formula also contains a pro-ration factor that adjusts the formula according to the net lottery receipts available. Only the new lottery aid, that is the amount above the base amount distributed the previous year, is actually calculated through the formula on an annual basis.

Lottery Aid, FY94-FY97

Beginning in FY95, the governor and legislature began phasing out the "lottery cap" that had been in place since FY89. This cap effectively limited the amount of lottery revenues allocated to cities and towns through the Cherry Sheet. As a result of the gradual phasing out of this cap, lottery aid distributions have risen steadily since FY94. *Table 1* shows each community's lot-

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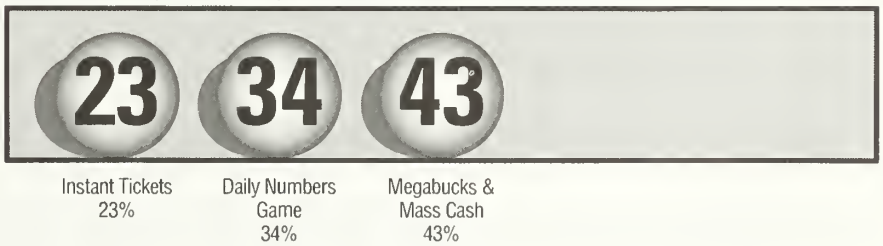
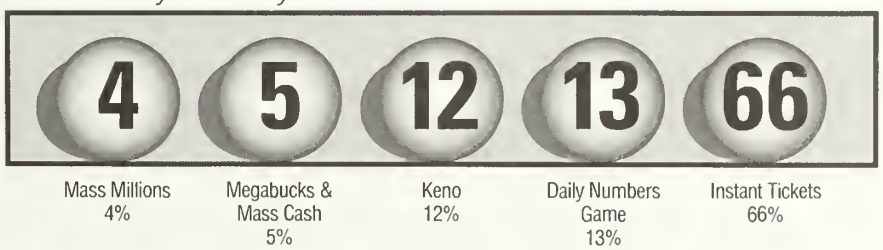
Figure 1

FY86 Lottery Sales by Game



FY96 Lottery Sales by Game



Note: Data is from the Lottery Commission.

Lottery Aid to Municipalities, FY94–FY97

Municipality	FY94 Lottery	FY95 Lottery	FY96 Lottery	FY97 Lottery	Pct Chg FY94-FY97
Abington	933,624	1,092,578	1,219,495	1,326,339	42.1%
Acton	604,239	730,955	824,635	902,764	49.4%
Acushnet	725,930	842,657	943,825	1,026,323	41.4%
Adams	1,027,029	1,168,480	1,286,148	1,379,809	34.3%
Agawam	1,697,549	1,999,031	2,238,802	2,434,181	43.4%
Alford	8,038	9,125	9,963	10,627	32.2%
Amesbury	934,509	1,083,233	1,207,012	1,317,718	41.0%
Amherst	3,453,217	4,129,838	4,650,071	5,091,299	47.4%
Andover	695,537	859,699	1,004,197	1,127,831	62.2%
Arlington	2,066,731	2,466,436	2,764,349	3,000,800	45.2%
Ashburnham	243,314	303,387	356,111	401,457	65.0%
Ashby	159,768	191,928	221,056	246,680	54.4%
Ashfield	67,485	82,031	92,682	101,920	51.0%
Ashland	360,290	456,645	539,260	610,476	69.4%
Athol	852,782	1,053,085	1,213,585	1,348,605	58.1%
Attleboro	2,343,622	2,791,129	3,176,630	3,495,561	49.2%
Auburn	733,416	873,239	983,877	1,074,622	46.5%
Avon	209,043	238,212	262,360	281,422	34.6%
Ayer	401,191	450,152	487,147	524,251	30.7%
Barnstable	670,573	862,449	1,017,441	1,148,320	71.2%
Barre	326,531	390,472	443,470	489,010	49.8%
Becket	35,440	40,811	45,656	49,918	40.9%
Bedford	317,167	387,091	445,342	491,093	54.8%
Belchertown	643,038	763,181	864,008	947,980	47.4%
Bellingham	967,037	1,110,872	1,215,631	1,303,276	34.8%
Belmont	838,039	993,262	1,112,572	1,209,515	44.3%
Berkley	201,238	242,750	280,614	319,621	58.8%
Berlin	111,770	131,082	145,556	157,627	41.0%
Bernardston	108,968	130,436	147,025	159,903	46.7%
Beverly	1,762,752	2,093,914	2,373,716	2,604,463	47.7%
Billerica	1,730,437	2,069,598	2,370,979	2,621,911	51.5%
Blackstone	560,201	666,664	754,062	829,218	48.0%
Blandford	53,242	63,170	70,961	77,514	45.6%
Bolton	72,919	90,649	104,683	117,582	61.3%
Boston	27,232,544	33,014,135	37,496,339	41,107,710	51.0%
Bourne	454,076	546,588	628,871	699,078	54.0%
Boxborough	94,128	113,114	130,372	147,080	56.3%
Boxford	166,417	200,009	228,553	254,586	53.0%
Boylston	158,680	185,355	207,587	225,813	42.3%
Braintree	1,501,952	1,743,989	1,956,642	2,128,732	41.7%
Brewster	112,688	149,439	180,420	207,960	84.5%
Bridgewater	1,233,762	1,496,774	1,720,603	1,919,557	55.6%
Brimfield	145,273	174,487	201,274	224,088	54.3%
Brockton	7,596,741	8,961,488	10,106,822	11,005,680	44.9%
Brookfield	201,908	245,006	280,210	309,578	53.3%
Brookline	1,818,725	2,188,163	2,454,467	2,668,147	46.7%
Buckland	118,534	141,277	158,949	174,798	47.5%
Burlington	620,663	772,159	890,606	985,920	58.8%
Cambridge	3,756,704	4,407,427	4,914,609	5,379,859	43.2%
Canton	602,533	717,994	814,185	898,115	49.1%
Carlisle	78,845	101,682	118,747	133,474	69.3%
Carver	496,322	634,921	746,300	841,494	69.5%
Charlemont	64,715	78,705	89,199	97,515	50.7%
Charlton	470,791	578,904	682,102	773,445	64.3%
Chatham	71,455	85,315	96,360	105,222	47.3%
Chelmsford	1,290,155	1,568,787	1,797,906	1,991,357	54.4%
Chelsea	2,311,923	2,765,171	3,115,495	3,379,435	46.2%
Cheshire	233,160	274,232	308,066	336,822	44.5%
Chester	68,608	82,676	93,359	102,467	49.4%
Chesterfield	53,043	63,223	70,569	76,176	43.6%
Chicopee	4,333,839	5,135,416	5,770,877	6,275,046	44.8%
Chilmark	1,398	1,745	2,025	2,288	63.7%
Clarksburg	176,529	206,616	228,429	246,041	39.4%
Clinton	967,530	1,143,231	1,286,092	1,400,472	44.7%
Cohasset	199,483	233,512	262,575	287,310	44.0%
Colrain	88,511	109,231	123,898	136,156	53.8%
Concord	419,285	508,110	576,758	633,215	51.0%
Conway	70,135	84,765	94,978	104,422	48.9%
Cummington	30,551	36,659	41,758	46,032	50.7%
Dalton	422,333	509,691	577,855	633,517	50.0%
Danvers	908,100	1,078,607	1,207,116	1,311,316	44.4%
Dartmouth	1,117,033	1,323,877	1,493,690	1,634,932	46.4%
Dedham	1,023,635	1,207,950	1,350,009	1,465,064	43.1%
Deerfield	201,469	243,429	280,692	311,584	54.7%
Dennis	202,603	247,545	285,383	317,040	56.5%
Dighton	309,770	364,538	409,064	444,649	43.5%
Douglas	231,791	289,986	342,018	390,478	68.5%
Dover	90,366	108,008	122,529	135,563	50.0%
Dracut	1,324,116	1,611,338	1,869,585	2,090,228	57.9%
Dudley	639,807	758,544	860,615	941,262	47.1%
Dunstable	69,190	85,050	99,405	112,010	61.9%
Duxbury	374,890	464,658	534,288	593,546	58.3%
E Bridgewater	625,928	739,822	838,211	922,365	47.4%
E Brookfield	136,756	159,461	175,633	189,140	38.3%
E Longmeadow	596,239	701,053	788,355	863,784	44.9%
Eastham	50,111	63,597	74,025	82,815	65.3%
Easthampton	1,260,162	1,478,990	1,641,529	1,772,560	40.7%
Easton	865,313	1,066,715	1,225,692	1,361,693	57.4%
Edgartown	14,520	18,998	22,418	25,544	75.9%
Egremont	33,339	38,581	42,929	46,175	38.5%
Erving	20,744	27,055	32,040	36,153	74.3%
Essex	100,329	119,768	136,203	150,967	50.5%
Everett	1,395,370	1,727,025	1,975,517	2,167,566	55.3%
Fairhaven	942,856	1,098,443	1,230,353	1,337,878	41.9%
Fall River	11,396,680	13,088,290	14,407,643	15,449,436	35.6%
Falmouth	518,991	631,442	727,522	809,883	56.0%
Fitchburg	3,604,785	4,273,891	4,779,775	5,149,677	42.9%
Florida	15,765	21,269	26,146	30,226	91.7%
Foxborough	730,425	856,452	951,432	1,033,068	41.4%
Framingham	2,523,084	3,139,435	3,614,979	4,001,925	58.6%
Franklin	1,050,220	1,246,164	1,412,146	1,565,109	49.0%
Freetown	394,376	478,561	544,148	597,584	51.5%
Gardner	1,601,618	1,901,992	2,170,461	2,395,616	49.6%
Gay Head	1,219	1,323	1,413	1,507	23.6%
Georgetown	293,993	353,979	400,477	442,602	50.5%
Gill	81,767	102,034	116,699	129,020	57.8%
Gloucester	1,132,176	1,331,095	1,512,961	1,662,485	46.8%
Goshen	27,182	33,103	38,120	42,292	55.6%
Gosnold	167	226	271	306	83.2%
Grafton	629,153	769,431	882,906	978,790	55.6%
Granby	389,440	454,006	505,336	548,539	40.9%
Granville	54,133	66,605	77,731	87,245	61.2%
Great Barrington	375,084	440,704	488,874	528,271	40.8%
Greenfield	1,421,799	1,653,207	1,843,831	1,998,424	40.6%
Groton	277,779	341,047	395,890	443,786	59.8%
Groveland	307,693	363,476	407,385	444,692	44.5%
Hadley	136,031	162,912	185,914	205,027	50.7%
Halifax	394,222	469,244	534,232	591,063	49.9%
Hamilton	278,476	330,079	373,465	409,976	47.2%
Hampden	289,703	333,049	370,163	400,646	38.3%
Hancock	22,134	24,963	27,344	29,243	32.1%
Hanover	482,846	567,530	639,800	700,407	45.1%
Hanson	591,758	684,960	764,152	832,320	40.7%
Hardwick	190,760	216,644	238,796	256,625	34.5%
Harvard	923,750	1,085,978	1,221,480	1,316,543	42.5%
Harwich	157,933	194,132	224,054	250,702	58.7%
Hatfield	154,126	182,200	202,962	219,333	42.3%
Haverhill	3,159,061	3,768,543	4,316,913	4,772,364	51.1%
Hawley	11,661	14,269	16,090	17,371	49.0%
Heath	17,216	22,925	29,041	34,123	98.2%
Hingham	660,086	775,158	867,783	944,239	43.0%
Hinsdale	82,716	102,169	117,705	130,723	58.0%
Holbrook	706,575	830,420	930,924	1,013,092	43.4%
Holden	694,425	842,074	955,702	1,051,963	51.5%
Holland	65,270	81,386	93,856	105,283	61.3%
Holliston	547,573	658,002	743,683	815,333	48.9%
Holyoke	4,402,011	5,101,610	5,667,504	6,097,316	38.5%
Hopedale	217,621	287,242	340,163	383,243	76.1%
Hopkinton	244,057	301,359	350,199	394,842	61.8%
Hubbardston	94,401	123,572	150,660	175,445	85.9%
Hudson	953,031	1,130,794	1,269,435	1,382,516	45.1%
Hull	469,472	567,993	646,718	712,156	51.7%
Huntington	127,399	152,835	175,746	195,132	53.2%
Ipswich	467,093	558,213	627,681	686,918	47.1%
Kingston	364,692	443,704	506,295	563,870	54.6%
Lakeville	322,638	378,399	428,953	475,134	47.3%
Lancaster	402,564	475,053	538,311	588,728	46.2%
Lanesborough	210,341	232,684	250,716	265,680	26.3%
Lawrence	6,275,273	7,609,969	9,008,058	10,084,731	60.7%
Lee	362,298	411,598	448,401	479,419	32.3%
Leicester	786,050	918,591	1,028,237	1,115,610	41.9%
Lenox	346,987	377,193	402,186	422,966	21.9%
Leominster	2,221,232	2,666,768	3,039,220	3,341,374	50.4%
Leverett	68,159	84,422	96,967	107,396	57.6%
Lexington	724,197	879,328	992,333	1,084,537	49.8%
Leyden	23,249	29,594	34,752	39,635	70.5%
Lincoln	208,631	251,978	287,211	318,228	52.5%
Littleton	242,172	289,979	328,555	362,081	49.5%
Longmeadow	647,080	757,127	847,554	920,843	42.3%
Lowell	7,189,329	8,774,764	10,154,212	11,205,618	55.9%
Ludlow	1,307,554	1,514,579	1,693,353	1,843,708	41.0%
Lunenburg	469,263	553,980	627,727	689,876	47.0%
Lynn	5,597,804	6,763,072	7,795,692	8,631,303	54.2%
Lynnfield	336,948	411,659	465,975	509,751	51.3%
Malden	3,737,694	4,457,903	5,035,611	5,474,713	46.5%
Manchester	121,218	142,628	159,238	172,811	42.6%
Mansfield	533,141	661,917	776,345	882,570	65.5%
Marblehead	490,931	609,214	698,200	772,188	57.3%
Marion	86,020	103,677	118,980	132,607	54.2%
Marlborough	1,421,943	1,666,952	1,889,205	2,076,801	46.1%
Marshfield	949,218	1,113,350	1,253,495	1,374,267	44.8%
Mashpee	49,317	74,462	98,899	122,851	149.1%
Mattapoisett	203,982	233,387	258,916	279,751	37.1%
Maynard	482,266	589,899	672,560	739,179	53.3%
Medfield	397,730	479,221	537,682	590,010	48.3%
Medford	3,446,751	4,063,599	4,535,294	4,907,907	42.4%
Medway	396,270	484,064	558,235	626,033	58.0%
Melrose	1,510,515	1,772,735	1,986,033	2,152,756	42.5%
Mendon	139,418	174,323	203,870	230,410	65.3%
Merrimac	321,055	388,626	439,482	484,892	51.0%

Municipality	FY94 Lottery	FY95 Lottery	FY96 Lottery	FY97 Lottery	Pct Chg FY94-FY97
Methuen	2,133,842	2,554,877	2,925,361	3,229,815	51.4%
Middleborough	1,062,108	1,254,169	1,419,984	1,559,849	46.9%
Middlefield	20,118	23,110	25,474	27,640	37.4%
Middleton	151,923	180,554	203,423	223,159	46.9%
Milford	1,436,859	1,698,227	1,904,437	2,071,390	44.2%
Millbury	808,218	947,428	1,061,833	1,156,704	43.1%
Millis	324,292	394,652	455,651	505,704	55.9%
Millville	143,702	170,434	195,081	216,825	50.9%
Milton	1,063,296	1,265,444	1,433,422	1,570,778	47.7%
Monroe	4,768	5,391	5,765	5,935	24.5%
Monson	602,396	696,199	772,574	837,070	39.0%
Montague	554,082	648,346	725,709	789,161	42.4%
Monterey	21,623	23,720	25,474	26,927	24.5%
Montgomery	36,113	43,324	48,591	53,170	47.2%
Mt Washington	1,029	1,373	1,610	1,876	82.3%
Nahant	138,362	163,177	183,701	200,370	44.8%
Nantucket	29,350	35,790	41,224	46,166	57.3%
Natick	1,054,820	1,278,351	1,451,623	1,595,699	51.3%
Needham	727,552	869,278	983,292	1,078,170	48.2%
New Ashford	2,693	3,690	4,518	5,103	89.5%
New Bedford	11,304.438	13,130,151	14,494,898	15,563,944	37.7%
New Braintree	40,978	50,243	58,114	65,115	58.9%
New Marlborough	26,263	30,534	33,419	35,798	36.3%
New Salem	45,190	51,027	56,237	60,452	33.8%
Newbury	179,058	222,029	256,065	286,773	60.2%
Newburyport	737,331	863,840	969,495	1,058,390	43.5%
Newton	2,371,645	2,818,493	3,174,557	3,483,496	46.9%
Norfolk	325,518	421,243	495,776	564,366	73.4%
N Adams	2,177,540	2,535,918	2,794,104	2,989,218	37.3%
N Andover	729,919	908,097	1,051,687	1,175,014	61.0%
N Attleboro	1,228,072	1,471,089	1,682,313	1,863,485	51.7%
N Brookfield	354,730	423,537	474,806	516,767	45.7%
N Reading	481,121	569,382	641,611	704,396	46.4%
Northampton	1,949,265	2,263,412	2,509,066	2,706,761	38.9%
Northborough	439,543	535,871	610,275	674,606	53.5%
Northbridge	1,039,924	1,239,877	1,385,398	1,505,558	44.8%
Northfield	101,285	130,054	154,558	175,864	73.6%
Norton	931,185	1,096,074	1,229,782	1,346,100	44.6%
Norwell	316,660	372,639	417,098	453,724	43.3%
Norwood	1,191,109	1,398,467	1,576,058	1,719,870	44.4%
Oak Bluffs	25,003	31,683	36,916	41,573	66.3%
Oakham	55,875	71,517	84,057	94,914	69.9%
Orange	742,661	855,909	957,365	1,040,583	40.1%
Orleans	74,084	88,845	101,591	112,048	51.2%
Otis	12,655	15,165	17,265	19,012	50.2%
Oxford	957,406	1,109,225	1,250,952	1,369,756	43.1%
Palmer	876,260	1,023,344	1,140,066	1,234,089	40.8%
Paxton	189,272	228,701	259,875	285,528	50.9%
Peabody	2,238,929	2,689,237	3,029,609	3,312,545	48.0%
Pelham	59,315	71,610	82,445	91,157	53.7%
Pembroke	729,962	861,013	972,568	1,070,219	46.6%
Pepperell	495,045	602,934	697,195	778,344	57.2%
Peru	41,797	50,425	58,447	65,494	56.7%
Petersham	44,760	53,874	60,309	65,738	46.9%
Phillipston	44,364	58,370	69,694	80,590	81.7%
Pittsfield	3,765,842	4,331,561	4,808,759	5,188,757	37.8%
Plainfield	15,847	19,340	22,165	24,478	54.5%
Plainville	295,602	353,500	405,007	451,556	52.8%
Plymouth	1,195,631	1,542,227	1,839,136	2,094,937	75.2%
Plympton	92,569	109,371	126,127	141,234	52.6%
Princeton	120,687	144,044	165,623	184,563	52.9%
Provincetown	66,417	79,196	88,776	96,604	45.5%
Quincy	4,570,533	5,421,109	6,112,157	6,671,689	46.0%
Randolph	1,507,589	1,827,638	2,097,768	2,315,133	53.6%
Raynham	537,312	618,260	689,251	751,061	39.8%
Reading	943,649	1,148,090	1,296,099	1,417,822	50.2%
Rehoboth	406,259	483,444	542,329	593,062	46.0%
Revere	2,476,178	2,956,710	3,394,727	3,741,060	51.1%
Richmond	54,533	65,198	72,523	78,356	43.7%
Rochester	179,343	208,830	234,181	257,473	43.6%
Rockland	1,122,815	1,296,089	1,441,191	1,562,882	39.2%
Rockport	167,283	211,834	247,723	278,545	66.5%
Rowe	960	1,445	1,880	2,238	133.1%
Rowley	173,084	208,989	241,630	271,608	56.9%
Royalston	55,922	66,122	76,026	83,837	49.9%
Russell	90,160	111,728	127,179	139,773	55.0%
Rutland	348,941	406,695	455,916	500,130	43.3%
Salem	1,635,310	1,994,046	2,281,170	2,513,885	53.7%
Salisbury	278,537	324,987	365,126	398,173	43.0%
Sandisfield	15,126	17,274	19,066	20,659	36.6%
Sandwich	183,844	273,818	357,014	432,628	135.3%
Saugus	946,943	1,154,440	1,322,241	1,461,824	54.4%
Savoy	47,344	54,453	60,527	66,324	40.1%
Scituate	695,739	804,699	893,977	969,244	39.3%
Seekonk	580,475	675,679	748,018	807,950	39.2%
Sharon	581,683	708,694	802,644	884,639	52.1%
Sheffield	98,729	116,449	130,636	143,185	45.0%
Shelburne	130,057	150,789	165,600	176,857	36.0%
Sherborn	101,080	118,186	131,976	143,459	41.9%
Shirley	395,123	482,430	553,630	629,502	59.3%
Shrewsbury	1,024,322	1,236,166	1,395,070	1,535,165	49.9%
Shutesbury	48,203	62,083	73,499	83,372	73.0%
Somerset	594,944	721,522	817,182	894,737	50.4%
Somerville	5,718,638	6,798,245	7,589,992	8,183,656	43.1%
South Hadley	1,139,762	1,352,157	1,509,859	1,640,295	43.9%
Southampton	253,115	296,009	332,948	365,180	44.3%
Southborough	187,413	224,531	253,151	278,497	48.6%
Southbridge	1,500,986	1,779,084	1,988,476	2,149,248	43.2%
Southwick	523,634	611,398	678,981	736,155	40.6%
Spencer	940,801	1,110,125	1,238,602	1,340,201	42.5%
Springfield	13,482,158	16,126,402	18,286,904	19,971,276	48.1%
Sterling	277,482	337,219	383,879	424,190	52.9%
Stockbridge	52,537	61,696	68,356	73,575	40.0%
Stoneham	933,153	1,133,820	1,292,838	1,419,407	52.1%
Stoughton	1,494,962	1,757,807	1,986,508	2,173,270	45.4%
Stow	168,354	208,092	238,643	264,391	57.0%
Sturbridge	264,277	330,759	387,900	434,154	64.3%
Sudbury	418,367	500,235	560,595	611,899	46.3%
Sunderland	192,803	229,549	260,403	287,951	49.3%
Sutton	336,754	390,403	443,595	490,812	45.7%
Swampscott	425,605	515,144	589,761	650,385	52.8%
Swansea	945,344	1,087,781	1,204,351	1,300,629	37.6%
Taunton	4,298,774	4,980,059	5,520,631	5,971,541	38.9%
Templeton	539,250	632,875	712,639	775,555	43.8%
Tewksbury	1,278,271	1,530,611	1,735,461	1,908,145	49.3%
Tisbury	46,469	54,714	60,918	66,257	42.6%
Tolland	2,218	2,702	3,079	3,396	53.1%
Topsfield	181,570	222,147	251,627	276,522	52.3%
Townsend	442,814	537,846	623,989	696,116	57.2%
Truro	13,112	15,240	17,089	18,746	43.0%
Tyngsborough	291,568	373,699	446,797	510,903	75.2%
Tyringham	6,914	7,879	8,575	9,179	32.8%
Upton	233,094	271,620	302,697	331,019	42.0%
Uxbridge	589,764	717,389	817,657	908,096	54.0%
Wakefield	1,072,165	1,276,156	1,445,016	1,582,952	47.6%
Wales	93,706	110,919	127,422	141,960	51.5%
Walpole	818,861	969,796	1,092,108	1,201,678	46.7%
Waltham	2,485,099	2,937,602	3,317,948	3,607,212	45.2%
Ware	743,067	872,478	978,687	1,063,391	43.1%
Wareham	969,617	1,114,519	1,253,771	1,371,087	41.4%
Warren	305,218	365,034	412,331	451,160	47.8%
Warwick	29,976	37,024	42,769	46,347	54.6%
Washington	30,735	36,373	40,661	44,459	44.7%
Watertown	1,378,103	1,664,284	1,872,357	2,032,794	47.5%
Wayland	327,396	389,721	438,580	478,803	46.2%
Webster	1,003,299	1,198,928	1,361,266	1,492,340	48.7%
Wellesley	642,823	764,241	858,916	937,737	45.9%
Wellfleet	25,975	31,209	35,429	39,099	50.5%
Wendell	47,628	58,307	66,942	74,063	55.5%
Wenham	125,360	159,313	183,620	204,379	63.0%
W Boylston	297,479	340,817	386,753	424,733	42.8%
W Bridgewater	323,069	363,477	399,843	430,362	33.2%
W Brookfield	188,861	226,630	256,154	280,819	48.7%
W Newbury	122,884	149,953	169,667	188,271	53.2%
W Springfield	1,473,874	1,719,663	1,927,252	2,090,664	41.8%
W Stockbridge	51,476	59,467	65,911	71,622	39.1%
W Tisbury	9,010	11,992	15,057	17,287	91.9%
Westborough	436,754	514,325	584,687	646,335	48.0%
Westfield	2,655,987	3,168,138	3,549,045	3,857,941	45.3%
Westford	550,929	669,214	769,586	858,774	55.9%
Westhampton	54,809	65,990	75,959	84,410	54.0%
Westminster	227,867	280,331	324,193	360,865	58.4%
Weston	199,773	231,877	259,423	281,056	40.7%
Westport	667,687	758,092	834,621	897,443	34.4%
Westwood	327,259	392,080	444,833	489,713	49.6%
Weymouth	3,393,288	4,016,941	4,494,564	4,883,947	43.9%
Whately	59,547	68,974	76,941	82,781	39.0%
Whitman	988,918	1,149,412	1,293,245	1,411,101	42.7%
Wilbraham	559,956	668,410	748,040	813,724	45.3%
Williamsburg	142,815	169,754	189,452	205,812	44.1%
Williamstown	490,308	564,862	622,379	667,277	36.1%
Wilmington	578,543	696,367	794,336	878,326	51.8%
Winchendon	638,906	764,223	872,892	964,519	51.0%
Winchester	607,257	719,854	809,635	883,291	45.5%
Windsor	22,160	27,745	32,941	37,669	70.0%
Winthrop	1,211,633	1,420,797	1,587,176	1,721,976	42.1%
Woburn	1,431,980	1,691,980	1,901,655	2,072,138	44.7%
Worcester	12,815,549	15,195,327	17,217,415	18,900,647	47.5%
Worthington	43,738	52,346	60,540	66,963	53.1%
Wrentham	420,760	511,539	580,384	641,629	52.5%
Yarmouth	430,102	538,124	625,589	699,383	62.6%
State Totals	329,000,000	391,600,000	442,600,000	484,180,000	
Difference		62,600,000	51,000,000	41,580,000	
Percent Increase		19.0%	13.0%	9.4%	

Table 1

Lottery Revenues: A Source of Aid for Municipalities
➡ *continued from page three*

tery aid allocation for FY94, FY95, FY96, FY97 and the percent increase for FY94–FY97.

In FY94, lottery aid was funded at the FY93 level of $329 million. The following year lottery distributions rose to $391.6 million, an increase of $62.6 million. This increase in FY95 is attributable to two factors: a $22.6 million increase in lottery aid and the reclassification of $40 million in municipal stabilization aid as lottery aid. Municipal stabilization aid was a one-time distribution from the local aid fund; it used the lottery formula to calculate the aid payments. The final FY95 state budget, Ch.60 of the Acts of 1994, authorized the reclassification of the previous year's municipal stabilization distribution as lottery aid.

Lottery aid received another dramatic increase the next year. The state budget authorized an additional $51 million in lottery aid for FY96. The following year another $41.6 million was added, raising the FY97 lottery aid allocation to $484.2 million. The total increase between FY94 and FY97 was $155.2 million, or a 47.2 percent increase over the FY94 distribution of $329 million.

Lottery Sales

Because the revenues from lottery sales fund the Cherry Sheet lottery distributions, we are also providing data from the Lottery Commission on such sales. *Figure 1* shows the breakdown of sales by game for FY86 and FY96. As these figures indicate, in FY86 Megabucks and Mass Cash accounted for the largest percent (43 percent) of sales. The instant tickets and the Daily Numbers games only accounted for 23 percent and 34 percent respectively. In FY96, the data on lottery sales is remarkably different. Clearly, new games were added and instant games experienced a dramatic gain in market share so that in FY96 they accounted for two-thirds of all lottery sales. The Lottery Commission attributes this significant rise in instant game sales to a change in marketing strategy and an increase in both the number and types of instant games available each year. ■

Written by Kay M. Upham. Data contributions by Lisa Juszkiewicz and the Lottery Commission.

Amended Federal Single Audit Act of 1996
➡ *continued from page one*

an auditor samples programs for an audit, the "50 percent rule," will apply. This rule requires auditors to sample at least half of the programs from which the recipient has expended funds. If the auditor does not sample 50 percent, then that auditor must perform additional tests until 50 percent has been sampled. In the past the act required auditors to perform compliance tests only of major programs. (Major programs were those that expended either $300,000 or three percent of total federal financial assistance.) The revised act gives auditors certain flexibility in performance compliance testing.

The Single Audit Act Amendments of 1996 may reduce audit costs for some recipients. Additionally, the changes are expected to relieve governments and non-profit entities of previously burdensome audit regulations while maintaining the integrity of the federal grant process. ■

Legal
➡ *continued from page two*

sary business, a vote by a majority of such quorum, when it is less than a majority of the entire commission, does not constitute action by the commission as such." In accordance with this ruling, two-thirds of the entire board of selectmen would be required to place the debt exclusion before the voters.

Q: *Is a taxpayer eligible for abatement of motor vehicle excise for 1996 if he/she moved to New York State in June 1995?*

A: No. Merely residing in another state does not entitle the taxpayer to an abatement. Even if an abatement application had been timely filed, state statute (M.G.L. Ch.60A Sec.1) requires the abatement applicant to demonstrate transfer of a person and the vehicle to another state with proof of registration in that state and cancellation of registration in Massachusetts. In the absence of such evidence, the assessors could not abate the 1996 excise.

Q: *When should the collector certify subsequent taxes to the tax title account?*

A: M.G.L. Ch.60 Sec.61 states that taxes may be certified no later than September first of the year following their assessment. In our view, the collector should not certify any amounts until after the due date of the final tax installment for that year. Ordinarily, then, the collector should not certify any subsequent years' taxes until after May first. The Department has interpreted the phrase "taxes assessed subsequently" to refer to an actual assessment and commitment which fixes a fiscal year tax liability. If the collector in a quarterly community were to certify the taxes at a sooner point in time, (for example, upon commitment of the actual tax in December), such action would deprive the taxpayer of the right to pay the February and May tax installments without incurring interest under another statutory provision. ■

Compiled by James Crowley

DLS UPDATE

Sewer Rate Relief — FY97

In each of the past four years, Massachusetts ratepayers have benefited from reductions in rate increases for water pollution control projects. In 1994, the governor and legislature established the Sewer Rate Relief Fund (M.G.L. Ch. 29, Sec. 2Z) to assist ratepayers. Escalating sewer rates, partly the result of the Boston Harbor cleanup, served as the impetus for the development of this fund. The fourth distribution occurred in November 1996 and was a record high of $46.390 million, more than double the 1994 allocation of $21.450 million (see *Figure 1*). The FY97 awards went to 43 Massachusetts Water Resource Authority (MWRA) communities, six communities in the South Essex Sewerage District, and 67 cities, towns and commissions statewide. The Division of Local Services (DLS) and the Department of Environmental Protection (DEP) administer the program and determine project eligibility. To receive aid an entity must have qualified indebtedness for a water pollution control project. Qualified debt is defined as an obligation issued after January 1, 1990, with a maturity greater than five years. Recipients must certify that the aid received from this fund has or will be used to reduce sewer rates. Projects that receive financing through the Massachusetts Water Pollution Abatement Trust (MWPAT) and receive financing subsidies are not eligible unless their MWPAT financing was in excess of $50 million on June 30, 1995. Additionally, projects that receive state construction grants are not eligible.

The FY97 distribution includes 12 communities receiving rate relief for the first time. These new communities are spread across the state include Ashburnham, Ashfield, Dracut, Dudley, Great Barrington, Holyoke, Leicester, Nahant, North Andover, North Bookfield, Oxford and Quincy. (See *Figure 2*.)

An example of the manner in which these programs are assisting ratepayers can be seen in the city of New Bedford and the MWRA service area. If no financial assistance were available, DLS estimates that an average New Bedford homeowner would receive a sewer bill of $644 in FY97. As a result of the Sewer Rate Relief Fund and a significant subsidy from the MWPAT, that ratepayer's bill will drop to $379, a $265 saving for a typical single-family homeowner. In the cities and towns served by the MWRA, rate increases were projected at 7.7 percent but were reduced to a 4.4 percent increase due to distributions from the fund.

Constructing sewage treatment plants, while costly, is an investment in our natural resources. The number of communities implementing water pollution control projects has increased as has the state's commitment to helping ratepayers.

For more information about the Sewer Rate Relief Fund please call Jim Johnson at (617) 626-2381. ■

Figure 1

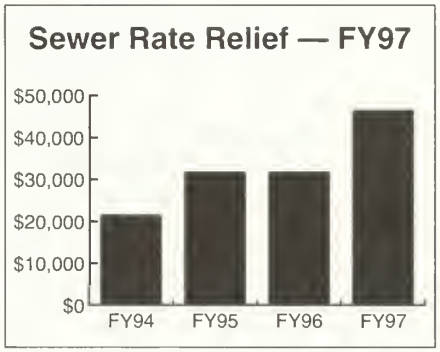
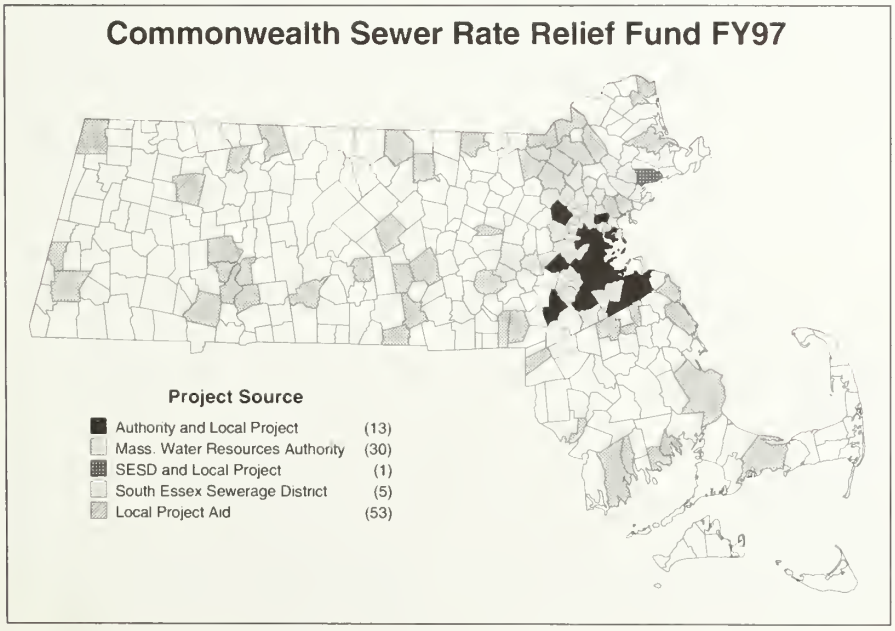


Figure 2



Municipal Fiscal Calendar

February 1
Taxpayer: *Deadline for Payment of 3rd Quarterly Tax Bill Without Interest*
If mailed before January 1.

February 15
Treasurer: *2nd Quarter Reconciliation of Cash*
Due 45 days after end of quarter.

February 28
Finance Committee: *Continue Budget Review and Develop Recommendations*
This date will vary depending on dates of town meeting.

Employment Opportunity

Data Bank/Local Aid Director
The Department's Division of Local Services currently is seeking a director to manage the division's municipal finance database and to oversee the distribution of local aid to cities, towns and regional school districts. This position requires strong database management skills and the ability to maintain data integrity on both mainframe and PC-based systems and the World Wide Web. Applicants must have strong analytical and writing skills and be able to supervise six to eight people. A minimum of five years experience in database management is required and an advanced degree is preferred. Send cover letter and resume to Rick Kingsley, Division of Local Services, PO Box 9655, Boston, MA 02114-9655, or fax to (617) 626-2330.

Data Bank Highlight

Trends in State Aid

For more information about Cherry Sheet aid distributions, individuals can request a "State Aid Analysis" report from the data bank. This report identifies five years of Cherry Sheet aid payments by program for each of the 351 communities. Aggregate data and previous years' data are also available.

To obtain Municipal Data Bank information contact: John Sanguinet at (617) 626-2355 for printed reports and data files; Burt Lewis at (617) 626-2358 for the On-Line Access System; or use the World Wide Web address below.

City & Town

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Marilyn H. Browne, Editor

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Preserving Massachusetts Farms

Written by Marilyn H. Browne

With urban areas steadily encroaching on farmland, many local farmers may experience pressure to sell or develop their acreage. In addition, financial hardships created by crop failures, a decline in sales from changing trends in food consumption or increased property tax bills only add to this pressure. These and other factors may make it hard for individual property owners to retain productive agricultural, horticultural land. For many years the Commonwealth has taken an active role in promoting the preservation of farms and open space. In this article we briefly describe three such programs: the first is a municipal program, Chapter 61A, that deals with farm property taxes; the other two are state programs, Agricultural Preservation Restrictions, which limit farm land development and the new Farm Viability Enhancement program, which is geared to improve farm profits.

Chapter 61A

One of the oldest and most widely used farm preservation programs is based on M.G.L. Ch. 61A . Under this program, a farm owner receives preferential local property tax treatment in the municipality where the farm is located. Once the farm is accepted into the program, the board of assessors then values the property based on the range of values published annually by the Farmland Valuation Advisory Commission (FVAC). The property tax is calculated at the commercial rate. The assessed value is based on agricultural or horticultural (A/H) uses rather than fair market value. For example, an acre of land used to grow hay would be valued at what another farmer would pay for that acre to grow hay. In exchange for giving farmers this property tax benefit, the municipality receives the right to recover some of the tax benefits and a right of first refusal to purchase the property, should that land be sold or used for any purpose other than raising farm products.

To participate, the property must meet eligibility criteria such as having five contiguous acres being used for A/H production for the previous two years. Additionally, it must meet annual gross sales amounts set by the FVAC for the particular crop or animal.

Agricultural Preservation Restrictions

The Commonwealth, through the Department of Food and Agriculture, also offers an Agricultural Preservation Restriction (APR) program. Under this program, the state purchases a permanent deed restriction that prevents development of the farmland. By selling the "development rights," the farmer is able to realize equity from the land without being forced to sell or subdivide the farm. In all other respects, the farmer remains the owner of the land and realizes all the income and benefits of continued farm use.

This program preserves land from development, promotes active agricultural uses and maintains a base of affordable farm land for Massachusetts farmers. The Agricultural Preservation Restriction Act also entitles land to be valued in the reduced fashion prescribed in Chapter 61A, so long as it is being farmed. The Agricultural Lands Preservation Committee oversees APRs and is chaired by the Commissioner of Food and Agriculture.

Farm Viability Enhancement Program

The Department of Food and Agriculture recently implemented the new Farm Viability Enhancement (FVE) program authorized by the Open Space Bond Bill, Ch.15, Sec. 2 of the Acts of 1996. This program's goal is to encourage the continuation of farming activities by making farms more economically and environmentally viable. Farm owners apply to the program and are selected based on criteria that include acreage, agricultural productivity, location and urban encroachment; the protection of water resources and flood plains; and the preservation of historical, open space or aesthetic amenities. Eligible farms then undergo two separate phases of the program. In the first phase, the farmer works with a planning team to assess the current farm operations and determine ways to increase farm income and environmental

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LEGAL

in Our Opinion

Q: *What is an agricultural preservation restriction?*
A: As defined in M.G.L. Ch.184 Sec.31, an agricultural preservation restriction is a legal limitation upon the uses of a parcel for purposes of retaining the land or water areas predominantly in their agricultural, farming or forest use, and generally forbids or limits construction, excavation or other acts or uses detrimental to retention of the land for agricultural use. The agricultural preservation restriction can be expressed in a deed, a will or other instrument executed by the owner of the land. Such a restriction is in perpetuity unless released pursuant to M.G.L. Ch.184 Sec.32.

Q: *How is land subject to an agricultural preservation restriction assessed?*
A: M.G.L. Ch.132A Sec.11D provides that land subject to an agricultural preservation restriction, while actively devoted to agricultural or horticultural uses as defined in M.G.L. Ch.61A Secs.1-5, will be assessed at values no greater than the agricultural "use" value prescribed for Chapter 61A farmland, not at the property's full and fair market value. The Farmland Valuation Advisory commission annually publishes recommended values to assist local assessors in determining the agricultural "use" value of the various types of farmland.

Q: *When will the assessors begin implementing reduced values for land recently placed under an agricultural preservation restriction?*
A: Under M.G.L. Ch.59 Sec.11, real estate is taxed as of the January 1 assessment date for the ensuing fiscal year, e.g., January 1, 1996 is the assessment date for fiscal year 1997 which begins July 1, 1996 and ends on June 30, 1997. The Supreme Judicial Court has held that "taxes on real estate are assessed annually, not, however, for any period of time, but rather as of a fixed date." *Sarris v. Assessors of Swampscott*, 2 Mass. App. 841 (1974). The agricultural preservation restriction must be on record at the respective Registry of Deeds as of the January 1 assessment date to be effective for the ensuing fiscal year. For example, if a deed containing a restriction is not recorded until mid-January 1996, the restriction will not affect the parcel's valuation in fiscal year 1997 as it was not on record on the required January 1 assessment date. In this case, the reduced assessment will first be implemented for fiscal year 1998.

Q: *Can a city or town place receipts from the local option room occupancy excise in a revolving fund to be expended, without further appropriation to promote tourism?*
A: No. M.G.L. Ch.64G Sec.3A permits a city or town which accepts its provisions to impose a local excise tax upon the transfer of any room, as a general rule, in a bed and breakfast establishment, hotel, lodging house or motel located within that community. The community must specify in the vote the rate of the local excise which cannot exceed 4 percent. The Commissioner of Revenue collects the excise on behalf of communities. The Treasurer of the Commonwealth then distributes these amounts semi-annually, upon the certification of the Commissioner, to each community that has adopted the hotel-motel excise in proportion to the amount of such sums received from the transfer of occupancy in the respective community. In accordance with M.G.L. Ch.44 Sec.53, these amounts become part of the community's local estimated receipts.

In the absence of special legislation, room occupancy excise revenues cannot be placed in a special purpose revolving fund. As a general revenue of the community, and once certified by the Bureau of Accounts as free cash, these amounts can be appropriated for any lawful purpose.

Q: *Does a city or town school committee approve the payment of vendor bills and payrolls?*
A: Yes. Although a school superintendent and school principals may sign bills and payrolls as contracting officers under Education Reform, the school committee is still the department head. For vendor bills, the school committee must approve payment by a majority vote of the entire committee in accordance with M.G.L. Ch.41 Sec. 56. With regard to payrolls, however, M.G.L. Ch.41 Sec.41 permits the school committee to designate one of its members to make oath to a payroll for salary or compensation of its members or employees. By its terms, this statute does not permit the school committee to designate the superintendent.

It should be noted that the approval procedure is different for regional schools. M.G.L. Ch.71 Sec.16A permits a regional school district committee to establish a subcommittee of no less than three members for signing payroll and accounts payable warrants. The statute provides, however, that the subcommittee must make a record of its actions available at the next meeting of the regional school district committee.

Q: *Can a community lawfully deficit spend for snow and ice removal?*
A: Under the provisions of M.G.L. Ch.44 Sec.31D, a community may spend in excess of its appropriation for snow and ice removal if the appropriation for that fiscal year (e.g., FY97) is at least equal to that for the preceding fiscal year (i.e., FY96). The Legislature thereby intended to prevent the intentional underfunding of a budgetary item

continued on page seven ➡

Focus on Municipal Finance

Massachusetts' School Choice and Charter School Programs

The 1990s have brought significant changes to public education in Massachusetts. Many of these changes resulted from the passage of the Education Reform Act of 1993 which laid out a plan to increase education spending per pupil and to equalize education spending statewide. In addition to many new education reform initiatives, this act further defined and expanded the Massachusetts school choice program that had been created in 1991. The Education Reform Act also authorized the creation of up to 25 charter schools within the state, the first of which opened in the fall of 1995. In this article, we explain how the school choice and charter school programs work, describe their funding mechanisms, and list their estimated pupil participation and tuition costs for FY97.

The school choice and charter school programs have a number of similarities. Both programs have districts defined as sending districts because they have pupils attending schools outside their district of residence. Sending districts are then assessed the cost of sending the pupils to a participating school choice district or a charter school. Receiving districts, those accepting choice students or charter students, receive the tuition payments from the sending districts. Tuition assessments are deducted from the sending district's local aid as part of the quarterly distribution process. These tuition assessments and payments are made in the last three quarters of the fiscal year: December, March and June. The December assessments and payments are based on estimated enrollment data submitted to the Department of Education (DOE) on the October 1 enrollment report. Tuition assessments and payments are adjusted in March and/or June using more current data.

The School Choice Program

The school choice program, created in 1991, gives parents the flexibility to choose to send their children to a school outside their community. Municipal and regional districts however, have the option of not accepting school choice pupils. To exercise this option, a school committee must hold a public hearing and vote annually on a resolution choosing not to participate in the school choice program, otherwise they must accept students if space is available.

As indicated in the preceding section, both municipal and regional school districts can accept non-resident students. These districts have discretion in determining the number and grade level of school choice children they accept. If the number of school choice applicants exceeds the number of available seats, students must be chosen by lottery or random selection. School choice tuition payments come from the sending districts' local aid distributions. In some cases, a sending district may receive aid depending on the district's status in relation to its spending target, i.e. its foundation budget, as mandated by the Education Reform Act of 1993. In FY97, there were increases in Chapter 70 for below foundation districts that saw increases in school choice charges between FY95-FY96. Through FY96, eligible sending districts received state reimbursement for a portion of the local aid lost through school choice tuition payments. These reimbursements for school choice tuition payments were not funded in the FY97 state budget.

School choice tuition assessments are calculated by the DOE and are limited by statute to 75 percent of the receiving district's per pupil cost by grade and program, with a cap of $5000 per student. However, for special education enrollments, the full per pupil cost is allowed. Estimates of these assessments are calculated for the December and March distributions; final assessments are calculated for the June distribution. In *Table 1*, we list the 168 municipalities and 61 regional school districts that are participating in the school choice program in FY97. This table shows the participating districts, the number of pupils received and the estimated tuition they are receiving from other districts, the number of students being sent out of the district plus the estimated tuition total that sending districts are being assessed in FY97.

As is indicated by the tuition assessment data in *Figure 1*, participation in the school choice program has risen dramatically in recent years. In FY94, the total tuition assessment was $17.2 million, it rose 30 percent to $22.4 million in FY95. In FY96, school choice tuition rose another 16 percent and in FY97 the estimated school choice tuition assessment of $28.1 million is 7.8 percent higher than the previous year.

Charter Schools

During the 1996–1997 school year, a total of 22 charter schools are operating in Massachusetts. These charter schools are receiving students from 112 municipalities and 21 regional school districts. Each charter school is a publicly funded individual legal entity, independent of the school district in which it is located. These schools

continued on page six ➡

Table 1: FY97 School Choice Estimates

Municipality	Receiving FTE	Receiving Tuition	Sending FTE	Sending Tuition
Abington	0.0	0	1.0	4,139
Acton	26.0	90,819	5.0	37,794
Agawam	12.0	51,123	27.0	92,429
Amesbury	68.0	262,798	158.4	606,122
Amherst	0.0	0	1.0	3,339
Andover	0.0	0	5.0	21,414
Arlington	0.0	0	1.0	3,969
Ashland	48.2	207,616	24.0	83,257
Auburn	0.0	0	0.3	666
Avon	204.7	791,432	0.0	0
Ayer	107.5	574,051	95.2	403,602
Barnstable	0.0	0	9.0	32,239
Becket	0.0	0	2.0	10,000
Bedford	0.0	0	2.2	17,706
Belchertown	0.0	0	12.0	43,577
Bellingham	0.0	0	45.0	171,671
Berkley	0.0	0	9.0	38,313
Berlin	25.0	87,749	7.1	33,484
Beverly	49.0	271,196	74.0	350,898
Billerica	0.0	0	7.0	36,486
Boston	0.0	0	27.3	140,312
Bourne	0.0	0	5.0	20,762
Boxborough	0.0	0	6.0	18,575
Boxford	0.0	0	1.3	3,773
Braintree	0.0	0	1.0	3,696
Brewster	0.0	0	6.0	57,768
Brockton	0.0	0	177.1	686,064
Cambridge	0.0	0	7.0	38,231
Carlisle	0.0	0	3.0	9,546
Chatham	43.0	322,303	1.0	4,064
Chelmsford	6.0	21,216	19.9	76,234
Chicopee	0.0	0	18.1	76,295
Clarksburg	0.0	0	3.0	13,949
Clinton	48.1	239,847	97.2	454,121
Concord	0.0	0	2.0	9,816
Danvers	10.1	43,124	15.0	65,483
Douglas	22.1	73,284	108.0	426,405
Dracut	35.0	141,308	25.5	91,092
East Longmeadow	33.0	115,675	10.0	40,631
Eastham	0.0	0	2.0	9,808
Easthampton	0.0	0	3.0	9,815
Essex	8.0	27,428	31.0	173,873
Everett	0.0	0	17.0	93,719
Fall River	0.0	0	4.0	11,472
Falmouth	0.0	0	1.0	2,777
Fitchburg	90.0	308,300	202.0	737,606
Framingham	0.0	0	54.2	233,519
Franklin	0.0	0	19.2	63,366
Gardner	69.0	219,972	22.0	75,769
Georgetown	62.3	280,432	44.0	174,424
Gloucester	16.0	61,664	117.0	568,600
Grafton	0.0	0	12.0	33,717
Granby	66.1	247,943	2.0	7,420
Granville	0.0	0	2.0	6,539
Greenfield	0.0	0	7.0	34,473
Hancock	7.0	26,274	6.0	22,056
Harvard	157.3	693,017	17.0	74,126
Harwich	0.0	0	21.0	144,970
Haverhill	51.0	167,075	140.1	532,341
Holbrook	0.0	0	5.0	18,970
Holliston	282.5	1,094,630	10.0	44,975
Holyoke	0.0	0	9.0	31,104
Hopedale	62.0	229,943	44.0	168,712
Hopkinton	30.0	121,560	71.0	259,140
Hudson	76.6	318,775	97.0	441,823
Ipswich	57.1	224,301	42.0	181,876
Lanesborough	12.0	39,840	3.0	10,042
Lawrence	0.0	0	92.0	349,869
Lee	84.1	339,297	42.1	213,643
Leicester	0.0	0	1.0	4,064
Lenox	75.0	358,872	24.0	91,570
Leominster	62.0	254,164	211.1	923,244
Lexington	0.0	0	2.0	8,381
Lincoln	0.0	0	1.0	9,642
Littleton	89.0	461,089	43.0	195,259
Longmeadow	98.0	419,023	2.0	8,873
Lowell	0.0	0	119.8	449,666
Ludlow	0.0	0	15.0	90,100
Lunenburg	124.0	346,542	53.0	216,172
Lynn	0.0	0	129.1	631,609
Malden	0.0	0	3.0	12,173
Manchester	147.0	751,714	1.0	6,745
Marblehead	85.3	447,323	1.0	4,064
Marlborough	0.0	0	72.8	341,261
Mashpee	0.0	0	1.0	2,934
Maynard	34.0	201,179	103.0	451,418
Medfield	0.0	0	3.0	11,485
Medford	0.0	0	70.0	404,819
Medway	30.2	116,088	39.1	145,869
Melrose	0.0	0	2.0	7,520
Methuen	0.0	0	14.9	66,987
Middleborough	5.0	30,053	2.0	9,367
Milford	78.3	324,171	128.6	518,618
Millbury	0.0	0	10.0	27,784
Millis	29.0	149,573	45.0	164,602
Milton	0.0	0	1.0	3,794
Monson	0.0	0	1.0	1,487
Natick	0.0	0	5.0	22,545
Needham	0.0	0	2.0	3,972
Newburyport	226.3	999,107	54.1	191,567
Newton	0.0	0	3.0	13,234
Norfolk	0.0	0	6.0	43,437
North Adams	0.0	0	55.1	260,022
North Andover	0.0	0	6.0	23,440
North Brookfield	12.0	46,041	5.0	16,844
North Reading	0.0	0	3.1	11,963
Northampton	0.0	0	3.0	10,622
Northborough	0.0	0	2.0	8,011
Northbridge	104.0	333,636	103.1	441,068
Norwood	0.0	0	1.0	4,373
Oxford	0.0	0	8.0	30,910
Palmer	0.0	0	5.0	20,109
Paxton	0.0	0	1.0	5,000
Peabody	0.0	0	41.1	260,990
Petersham	23.0	115,586	21.0	65,268
Pittsfield	65.2	270,897	117.4	523,197
Plymouth	0.0	0	1.0	2,748
Provincetown	10.2	70,108	3.0	23,705
Randolph	0.0	0	14.0	48,888
Rochester	0.0	0	1.0	2,934
Rockport	4.0	15,782	31.0	143,221
Rowe	22.0	82,333	0.0	0
Salem	0.0	0	66.0	352,206
Sandwich	0.0	0	2.0	7,451
Saugus	0.0	0	10.0	44,140
Savoy	0.0	0	7.0	23,650
Sherborn	0.0	0	3.0	29,661
Shirley	39.0	129,660	66.1	332,392
Shrewsbury	0.0	0	4.0	17,371
Somerset	0.0	0	1.0	3,219
Somerville	0.0	0	9.0	51,669
South Hadley	0.0	0	24.0	87,065
Southampton	0.0	0	2.0	6,524
Southborough	0.0	0	3.0	9,826
Southbridge	0.0	0	2.0	5,964
Springfield	15.0	58,872	231.2	987,364
Stoneham	0.0	0	1.0	13,038
Stoughton	0.0	0	3.0	11,284
Sutton	45.0	142,306	25.0	89,531
Swampscott	0.0	0	4.2	18,351
Taunton	41.0	153,948	4.0	27,094
Tewksbury	0.0	0	24.0	130,053
Topsfield	0.0	0	2.0	6,286
Truro	0.0	0	8.0	40,000
Tyngsborough	38.6	120,587	16.0	58,458
Tyringham	0.0	0	5.0	25,000
Uxbridge	132.0	595,720	29.2	89,264
Wakefield	0.0	0	1.0	3,884
Wales	1.0	1,487	0.0	0
Waltham	0.0	0	65.0	387,361
Ware	9.2	45,865	63.0	199,869
Wareham	11.0	42,749	0.0	0
Watertown	0.0	0	1.0	4,418
Wayland	0.0	0	3.0	12,732
Webster	0.0	0	8.0	26,673
West Boylston	84.0	331,535	3.0	12,815
West Springfield	0.0	0	6.1	18,074
Westborough	0.0	0	5.3	20,171
Westfield	13.1	45,349	63.0	234,924
Westford	84.0	304,337	28.1	126,785
Westhampton	0.0	0	1.0	3,358
Weymouth	0.0	0	2.0	7,392
Williamsburg	29.0	112,997	0.0	0
Williamstown	23.0	76,790	0.0	0
Winchendon	14.0	53,224	27.2	113,157
Woburn	0.0	0	4.0	17,170
Worcester	0.0	0	133.1	590,247
Wrentham	0.0	0	2.0	6,485
Municipal Total	3771.1	15,702,699	4744.8	20,340,537
Regional School Districts				
Acton Boxborough	290.0	1,291,465	17.0	93,204
Adams Cheshire	32.1	162,161	22.0	93,629
Ashburnham Westminster	21.0	93,382	29.0	99,340
Assabet Valley	0.0	0	1.0	5,000
Athol Royalston	0.0	0	32.0	138,150
Berkshire Hills	118.0	589,442	74.0	367,539
Berlin Boylston	80.1	488,550	24.0	111,569
Blackstone Millville	0.0	0	25.0	107,971
Bridgewater Raynham	0.0	0	13.0	46,578
Central Berkshire	75.2	303,281	84.0	373,549
Chesterfield Goshen	0.0	0	43.0	163,975
Concord Carlisle	0.0	0	5.0	21,236
Dennis Yarmouth	11.0	39,431	7.0	58,295
Dighton Rehoboth	0.0	0	6.0	23,526
Dover Sherborn	0.0	0	1.0	13,575
Dudley Charlton	0.0	0	1.0	3,984
Farmington River	2.0	7,249	14.0	55,005
Franklin County	0.0	0	4.0	24,382
Freetown Lakeville	0.0	0	5.0	20,249
Gateway	11.0	39,514	45.0	168,147
Gill Montague	0.0	0	1.0	3,188
Greater Lawrence	5.0	25,000	186.1	1,015,546
Greater Lowell	3.0	15,000	42.0	230,500
Groton Dunstable	82.0	342,495	51.0	225,315
Hamilton Wenham	144.1	701,748	10.0	52,674
Hampden Wilbraham	80.0	340,271	1.0	5,000
Hampshire	0.0	0	3.0	11,343
Hawlemont	0.0	0	3.0	7,512
King Philip	0.0	0	6.2	23,659

continued on page 5, third column

Table 2: FY97 Charter School Estimates

Municipality	Pupils (FTE)	Annual Tuition	Foundation Status	Reimb Rate	Total Reimb
Abington	1.0	5,133	Below	0%	0
Amherst	1.0	6,879	Above	40%	2,752
Andover	2.0	12,496	Below	0%	0
Arlington	5.0	34,052	Above	50%	17,026
Attleboro	3.0	15,021	Below	0%	0
Ayer	5.0	36,200	Above	40%	14,480
Barnstable	3.0	15,621	Below	0%	0
Bedford	2.0	14,480	Above	40%	5,792
Bellingham	4.0	19,528	Below	0%	0
Belmont	1.0	6,706	Above	50%	3,353
Berkley	1.0	4,779	Below	0%	0
Beverly	1.0	5,024	Below	0%	0
Billerica	4.0	22,329	Below	0%	0
Boston	1311.1	9,682,129	Below	0%	0
Braintree	3.0	16,527	Below	0%	0
Brockton	3.0	19,035	Below	0%	0
Brookline	1.0	6,994	Above	40%	2,798
Cambridge	207.4	1,633,589	Above	50%	816,795
Chatham	5.0	34,465	Above	40%	13,786
Chelmsford	148.2	788,532	Below	0%	0
Chelsea	5.0	31,735	Below	0%	0
Chicopee	1.0	5,769	Below	0%	0
Cohasset	14.0	76,384	Above	40%	30,554
Concord	1.0	7,240	Above	40%	2,896
Conway	2.0	11,128	Below	0%	0
Danvers	1.0	5,824	Above	40%	2,330
Dartmouth	2.0	10,702	Below	0%	0
Dracut	2.0	10,202	Below	0%	0
Duxbury	2.0	11,468	Above	40%	4,587
Easthampton	4.0	21,032	Below	0%	0
Edgartown	11.0	84,832	Above	50%	42,416
Everett	5.0	26,305	Below	0%	0
Fall River	314.0	1,899,386	Below	0%	0
Fitchburg	3.0	17,700	Below	0%	0
Franklin	169.3	973,542	Below	0%	0
Freetown	2.0	11,244	Below	0%	0
Granby	1.0	5,126	Below	0%	0
Greenfield	3.0	16,545	Below	0%	0
Hadley	7.0	46,082	Above	40%	22,476
Hanover	4.0	22,058	Below	0%	0
Harvard	24.0	145,824	Above	40%	58,330
Harwich	17.0	115,600	Below	0%	0
Hatfield	2.0	10,788	Below	0%	0
Hingham	13.0	71,721	Below	0%	0
Holliston	2.0	9,942	Below	0%	0
Holyoke	3.0	19,737	Below	0%	0
Hopedale	2.0	9,882	Below	0%	0
Hull	171.3	957,380	Below	0%	0
Kingston	1.0	4,854	Below	0%	0
Lawrence	362.1	2,242,419	Below	0%	0
Leominster	2.0	10,772	Below	0%	0
Lexington	1.0	5,319	Above	50%	2,660
Littleton	21.0	128,184	Above	40%	51,274
Lowell	97.0	623,587	Below	0%	0
Lunenburg	11.0	55,847	Below	0%	0
Lynn	35.0	195,020	Below	0%	0
Malden	17.0	91,511	Below	0%	0
Marblehead	110.0	640,640	Above	40%	256,256
Marlborough	1.0	6,344	Below	0%	0
Marshfield	18.0	96,552	Below	0%	0
Maynard	1.0	6,319	Below	0%	0
Medford	63.0	393,419	Below	0%	0
Medway	6.0	32,802	Below	0%	0
Melrose	2.0	11,058	Above	50%	5,529
Methuen	7.0	37,982	Below	0%	0
Milford	2.0	12,028	Below	0%	0
Millis	1.0	6,204	Below	0%	0
Monson	1.0	5,236	Below	0%	0
New Bedford	1.0	5,674	Below	0%	0
Newton	1.0	6,831	Above	50%	3,416
Norfolk	1.0	4,738	Below	0%	0
North Attleboro	2.0	8,702	Below	0%	0
Northampton	31.3	179,772	Below	0%	0
Northboro	1.0	5,152	Below	0%	0
Norwell	3.0	16,689	Above	40%	6,676
Oak Bluffs	3.0	23,136	Above	50%	11,568
Peabody	1.0	6,076	Below	0%	0
Plainville	3.0	13,587	Below	0%	0
Plymouth	1.0	6,073	Below	0%	0
Plympton	3.0	15,000	Below	0%	0
Provincetown	4.0	27,572	Above	40%	11,029
Quincy	7.0	43,642	Below	0%	0
Randolph	1.0	5,315	Below	0%	0
Revere	10.0	56,439	Below	0%	0
Rockland	11.0	62,810	Below	0%	0
Rowe	1.0	0	Above	50%	0
Salem	19.0	114,209	Below	0%	0
Saugus	1.0	6,054	Above	50%	3,027
Scituate	27.1	148,295	Below	0%	0
Shirley	2.0	10,848	Below	0%	0
Somerset	2.0	12,346	Above	50%	5,568
Somerville	316.1	2,159,780	Below	0%	0
South Hadley	3.0	16,056	Below	0%	0
Springfield	670.7	4,250,603	Below	0%	0
Swampscott	6.0	34,944	Above	40%	13,978
Swansea	4.0	22,752	Below	0%	0
Taunton	6.0	31,470	Below	0%	0
Tewksbury	5.0	21,010	Below	0%	0
Tisbury	18.0	138,816	Above	50%	69,408
Truro	6.0	41,358	Above	40%	16,543
Tyngsborough	1.0	5,041	Below	0%	0
Wakefield	1.0	5,824	Above	40%	2,330
Watertown	1.0	6,811	Above	50%	3,406
Westborough	1.0	7,240	Above	40%	2,896
Westfield	1.0	5,842	Below	0%	0
Westford	1.0	5,262	Below	0%	0
Westport	2.0	10,402	Below	0%	0
Weymouth	45.0	256,905	Below	0%	0
Williamsburg	9.1	52,641	Above	40%	21,056
Woburn	1.0	5,895	Below	0%	0
Worcester	516.0	3,058,332	Below	0%	0
Wrentham	4.0	20,032	Below	0%	0
Municipal Total	5012.7	32,556,770			1,526,987

Regional School Districts	Pupils (FTE)	Annual Tuition	Foundation Status	Reimb Rate	Total Reimb
Acton Boxborough	17.0	123,080	Above	40%	49,232
Amherst Pelham	11.0	74,129	Above	50%	37,065
Berlin Boylston	2.0	14,480	Above	40%	5,792
Chesterfield Goshen	1.0	5,451	Above	40%	2,180
Concord Carlisle	2.0	14,480	Above	40%	5,792
Dennis Yarmouth	4.0	23,284	Below	0%	0
Frontier	7.0	42,714	Below	0%	0
Gateway	6.0	34,860	Below	0%	0
Groton Dunstable	36.0	210,096	Below	0%	0
Hampshire	6.1	34,486	Below	0%	0
Marthas Vineyard	4.0	51,988	Above	50%	25,994
Mohawk Trail	16.0	101,778	Below	0%	0
Nashoba	15.0	96,090	Above	40%	38,436
Nauset	122.0	800,930	Below	0%	0
North Middlesex	31.0	178,343	Below	0%	0
Pioneer	1.0	5,272	Below	0%	0
Quabbin	6.0	33,696	Below	0%	0
Ralph C Mahar	2.0	13,694	Below	0%	0
Silver Lake	2.0	13,710	Below	0%	0
Up Island	39.0	300,768	Above	50%	150,384
Wachusett	1.0	5,612	Above	40%	2,245
RSD Total	331.1	2,178,941			317,119

Table 1: FY97 School Choice Estimates *(cont'd.)*

Regional School Districts	Receiving FTE	Receiving Tuition	Sending FTE	Sending Tuition
Lincoln Sudbury	0.0	0	2.0	9,418
Masconomet	84.1	336,645	4.0	29,148
Mendon Upton	72.3	281,040	64.0	269,653
Minuteman	286.2	1,677,693	4.0	22,500
Mohawk Trail	0.0	0	16.0	51,379
Montachusett	25.1	139,119	15.0	81,130
Mount Greylock	43.2	229,876	9.0	46,202
Narragansett	0.0	0	24.0	86,416
Nashoba	183.0	881,088	83.1	350,843
Nashoba Valley	63.0	342,250	5.0	25,000
Nauset	6.0	35,513	10.2	84,991
New Salem Wendell	0.0	0	3.0	18,880
North Middlesex	26.0	105,927	81.3	333,961
North Shore	50.0	330,405	3.0	16,193
Northboro Southboro	0.0	0	2.0	8,488
Northeast Metropolitan	45.0	236,626	132.2	786,196
Old Rochester	0.0	0	1.0	4,457
Pathfinder	33.0	211,841	0.0	0
Pentucket	167.0	579,839	39.0	165,528
Quabbin	118.0	365,858	29.2	118,076
Ralph C Mahar	0.0	0	21.0	62,419
Shawsheen Valley	0.0	0	6.0	33,473
South Middlesex	0.0	0	1.0	7,223
Southern Berkshire	79.0	389,145	78.0	375,653
Southwick Tolland	108.0	388,900	6.0	20,835
Spencer East Brookfield	0.0	0	6.0	21,117
Tantasqua	0.0	0	6.0	32,006
Tri County	0.0	0	1.0	5,000
Triton	108.0	384,437	195.9	834,161
Wachusett	0.0	0	54.0	242,203
Warren West Brookfield	0.0	0	5.0	21,991
Whittier	188.1	1,026,239	3.0	15,412
RSD Total	2639.4	12,381,430	1665.1	7,743,592

School Choice and Charter School Programs
➡ *continued from page three*

are open to all students if space is available. A lottery is held when the number of applicants exceeds the number of available spaces. Charter schools can be restricted to certain grade levels and can provide specialized education such as mathematics, science or the arts. These schools may also set reasonable academic standards as a condition of eligibility.

The charter school tuition assessment process is similar to the school choice tuition assessment process. A charter school, acting as the receiving district, receives tuition payments from sending districts. The charter school tuition assessment calculation varies depending on the pupil's home district's status in relation to its foundation budget spending target. When a charter school pupil lives in a district with a foundation spending gap, the tuition assessment is equal to the average cost per student in that district. If the charter school pupil lives in a district that does not have a foundation gap, the tuition assessment is equal to the average cost per student in that district or the average cost per student in the district where the charter school is located, whichever is less.

The FY97 charter school pupil and tuition estimates are listed in *Table 2*. This table shows the number of full-time equivalent (FTE) pupils attending charter schools, the estimated annual tuition, foundation status, reimbursement rate and estimated reimbursement. Unlike school choice, above foundation districts sending pupils to charter schools are reimbursed a portion of their estimated tuition assessment. Above foundation districts' reimbursement rates are as follows: 50 percent in the first year of the charter school's operation, 40 percent in the second year and 30 percent in the third year. Below foundation communities are reimbursed as part of their Chapter 70 calculations.

Impact on Municipal Budgets

The budgetary impact of these two programs varies from district to district. Since sending communities are assessed tuition payments through a deduction from their quarterly local aid distribution, the resulting loss in aid may cause a revenue deficit that the community would have to raise the following year. To avoid this problem, local officials should include estimates of the upcoming year's assessments when they are developing their budgets. Officials should also be aware that these assessments can be used to meet their net school spending requirement.

For those districts receiving choice or charter students, officials should note that Ch.76 Sec.12B states that tuition payments are to be deposited by a community's treasurer in a separate account and may be expended by the school committee without further appropriation. ■

Written by Kay M. Upham

Figure 1

	School Choice			Charter Schools		
	Municipal Tuition Assessment	Regional Tuition Assessment	Total Tuition Assessment	Municipal Tuition Assessment	Regional Tuition Assessment	Total Tuition Assessment
FY93	12,087,120		12,087,120			
FY94	14,008,022	3,201,537	17,209,559			
FY95	16,675,412	5,749,028	22,424,440			
FY96	19,058,409	6,995,677	26,054,086	14,777,310	1,133,390	15,910,700
FY97*	20,340,537	7,743,592	28,084,129	32,556,770	2,178,941	34,735,711

*The FY97 data are estimates; final data will be available for the June FY97 quarterly distribution.

DLS UPDATE

Ludlow Receives Award

The Massachusetts Municipal Association (MMA) awarded its 1996 Kenneth E. Pickard Municipal Innovation first prize award to the town of Ludlow for its Local Government Partnership program. Ludlow officials received their award at the MMA's Annual Meeting on January 18, 1997.

The collaborative partnership program joins the school department, Division of Local Services (DLS) staff, town officials and high school seniors in an educational experience in the classroom and town hall. Students learn about the functions and responsibilities of their local government. Ludlow was recognized because its program demonstrated "dedication, commitment and ability to increase the effectiveness of local government by successfully implementing a unique and creative program."

The program is growing. In addition to Ludlow, the partnership is underway at the Shrewsbury and Palmer High Schools. This is an exciting program and DLS is proud to have shared in its development and growth. For further information please contact Dennis Rindone at (413) 784-1000. ■

Preserving Massachusetts Farms
➡ *continued from page one*

resource conservation. The planning team consists of experts in areas such as agriculture, marketing, finance, management and environmental sciences.

During the second phase, the farm owner chooses one of two funding options implementing designated portions of the FVE plan and dedicates the land to future farm use. In exchange for up to $20,000, the farmer grants a temporary five-year agricultural use covenant to the Commonwealth and commits to implementing specific components of the plan. In exchange for up to $40,000, the covenant to the state is 10 years as well as the implementation of certain parts of the plan. The implementation plan will include ways to increase farm income through such things as improved management practices, diversification, direct marketing, agritourism, etc. A farmer accepting either option is required to use the grant funds to put the plan into action.

The FVE program is a cost-effective means of distributing the $5 million in state aid appropriated for FY97 to encourage farm preservation. By offering managerial resources, expertise and direct grants of $20,000 or $40,000, many farmers will receive the assistance necessary to keep their property as agricultural land. Unlike Chapter 61A and the APR, the FVE program does not directly affect the land valuation or tax status of the farms in the program. However, the Chapter 61A preferential tax classification may be used concurrently with the Farm Viability Enhancement program.

Overall, it is clear that each of these farm preservation programs is designed to offer individual farm owners options for preserving their property as farmland. Local officials who want to learn more about Chapter 61A should contact the Division of Local Services at (617) 626-2300. Questions about the Agricultural Preservation Restriction Program and the Farm Viability Enhancement program should be directed to the Department of Food and Agriculture at (617) 727-3018. ■

Legal
➡ *continued from page two*

which may be lawfully overexpended. In our view, a community must appropriate in fiscal year 1997's budget at least an amount equivalent to that appropriated *directly* to the fiscal year 1996 snow and ice account *excluding* additional transfers from free cash, the stabilization fund or the reserve fund.

By a recent amendment to the statute, every city or town must report annually to the Division of Local Services, no later than September 15, the total amounts appropriated and spent (including funding or reimbursement from the Commonwealth) for snow and ice removal for the fiscal year ending on the preceding June 30.

Q: *Are household furnishings in a vacation home subject to local personal property taxes?*
A: Yes. M.G.L. Ch.59 Sec.2 provides that all real estate and personal property situated within the Commonwealth is subject to local taxation unless otherwise exempt. M.G.L. Ch.59 Sec.5 Cl.20 exempts from taxation household furnishings and effects at an individual's legal domicile. A summer resident in the town of Hull challenged, on Constitutional grounds, the assessment of a local personal property tax on the contents of his summer home. The Supreme Judicial Court ruled that the taxes were proportional and reasonable. *Weinstock v. Hull*, 367 Mass. 66 (1975). The taxpayer sought review in the United States Supreme Court but the case was dismissed. Thus, this local personal property tax is Constitutional.

Compiled by James Crowley

Municipal Fiscal Calendar

March 1
DOE: *Notify Communities of Estimated Net School Spending Requirement for the Next Year*

March 1
Personal Property Owner: *Submit Form or List*
This is a listing of all personal property filed by the owner with the Assessors each year for the purpose of determining taxes in the next fiscal year.

March 1
Non-Profit Organization: *Final Filling Date for 3-ABC Forms*
These must be filed on or before March 1 (this deadline may be extended by the Assessors). In no event should the forms be filed later than 30 days after the tax bill is mailed.

March 31
State Treasurer: *Notification of Quarterly Local Aid Payment on or Before March 31*

Automated WR-1s

Municipal accountants and auditors, and treasurers of regional school districts and special taxing districts will soon receive a diskette in the mail from the Massachusetts Department of Revenue (DOR). The Employer's Quarterly Report of Wages Paid (WR-1) has been automated to ease reporting requirements. Using this new program should save employers time and money that was previously attributable to manual filing.

DOR, in its quest to ease the burden of small businesses and local governments, has made important changes in acceptable filing methods. The automated WR-1 is one of the results of these efforts. DOR encourages any employer interested in participating in this diskette program to contact Donna Zacchini, WR-1 Administrator, Automated Processing Bureau at (617) 887-5030 for a complimentary software package. ■

Data Bank Highlight

Birth and Enrollment Data

Enrollment and birth data can assist communities in projecting future year's education spending needs and long term planning for capital projects such as building new schools. The Data Bank can provide individual communities with a standard report that shows the number of births and resident public school children for each year going back to 1980. Birth data is from the Massachusetts Department of Public Health. Enrollment data, derived from the Massachusetts Department of Education's "School Attending Children" reports, are in K–6, 7–8, 9–12 and K–12 clusters.

To obtain Municipal Data Bank information contact: John Sanguinet at (617) 626-2355 for printed reports and data files; Burt Lewis at (617) 626-2358 for the On-Line Access System; or use the World Wide Web address below.

City & Town

City & Town is published 11 times a year by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS World Wide Web site at **http://www.state.ma.us/dls** or by writing to PO Box 9655, Boston, MA 02114-9655.

Marilyn H. Browne, Editor

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Accountability in School Budgeting

Written by Kay Upham & Gary Blau

In most communities, education is by far the largest portion of the municipal budget. Massachusetts municipalities spend an average of 45 percent (ranging between 14 and 75 percent) of their total budgets on education. Since the implementation of the Education Reform Act of 1993, both municipal spending on education and state aid distributions for education have risen steadily. Nearly $1 billion of state aid has fueled increases in school spending. With state and local investments of this magnitude, the need for adequate oversight and accountability increases. Because so many different officials in the municipality and the school department are involved in the school budget process, it is essential that all the participants understand the process itself and their roles in it. To help officials accomplish this objective, we are using this issue of *City & Town* to describe the multi-faceted school budget process and outline the legal duties and responsibilities of the individuals involved in monitoring school department expenditures. We hope that school and municipal officials will use these guidelines to foster a cooperative, coordinated and responsible school budget and oversight process in their communities.

I. The School Budget Process

The school budget process is a major component of a community's budget process. Many of the steps involved are similar — both require planning, developing a budget, reviewing funding and expenditure requests and obtaining final budget approval. Most importantly, a good school budget process, like a good municipal budget process, is continuous. One cycle overlaps the next cycle, year after year. The school budget is a major policy making tool that clearly identifies the priorities of the school department. It explains not only how much money will be spent on education, but where the money will be used and how it will meet the goals and objectives of the Education Reform Act of 1993.

All public funds must be expended and monitored responsibly.

The first half of *Figure 1* graphically outlines the basic process for developing a school department budget. After reviewing the net school spending requirements mandated by the Education Reform Act and taking into consideration the municipal budget guidelines, the superintendent drafts a budget for the school department. This draft of the budget is then submitted to the school committee for review. After the school committee approves the budget, it is sent to the accountant who submits it to the finance committee. The finance committee reviews it, taking into consideration a municipality's available revenues and current expenditures as allocated in the municipal budget. After the finance committee and school committee negotiate an acceptable level of appropriation, the school budget is incorporated into the municipal budget and presented to town meeting or city council for approval. The legislative body then votes on the budget and has final say on the level of departmental spending.

The second half of *Figure 1* illustrates the school expenditure process after a budget has been approved. This outline shows a simplified version of the steps involved when expending school department funds. Basically, once a budget is approved by a municipality's legislative body, the superintendent develops a spending plan for the department. The school committee is responsible for approving the spending plan, monitoring overall expenditure levels and approving all expenses as they are incurred. Once they are approved by the superintendent, or the superintendent and the principal, the bills are submitted to the school committee for approval and signature. Then the school committee authorizes the payments of bills and gives them to the accountant. The accountant verifies that the funds are available in the department's appropriation and submits a warrant. As is the case in all municipal departments, the school department cannot incur liabilities that exceed its appropriation.

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Accountability in School Budgeting
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All local and school officials should note that there are checks and balances that should be in place to help oversee the school department expenditure process. When a contract or purchase order is executed, the individual authorizing the payment should provide a copy of the contract or purchase order to the accountant so that the necessary funds can be encumbered. Another important step is to record all encumbrances and liabilities into a computerized expenditure software system thereby creating a continuous record of the school department's expenditures and liabilities. In addition, the accountant should distribute a monthly report to the school committee and all other school officials who are authorized to expend school funds; this report should specifically include the amounts expended, encumbered and the remaining amounts available for expenditure. The school committee should then compare the accountant's report to its record of expenditures. All differences between the two must be reconciled timely in order to avoid deficits at the close of the year.

II. Statutory Duties and Responsibilities

While the first section of this article addresses the school department's budget and spending processes, the second section describes the specific duties and responsibilities of local and school officials with legal responsibilities for fiscal control and oversight of the school budget.

These duties are outlined in the Massachusetts General Laws, municipal charters, ordinances and by-laws. Specific statutory references are listed at the end of the article. In many cases local charters, ordinances and by-laws provide additional checks and balances and in some circumstances modify the duties and responsibilities as outlined in the General Laws. Municipal officials should always review their local provisions to determine whether the provisions impact their responsibilities with regard to the school budget.

In the following paragraphs we describe the fiscal responsibilities of a number of school and other municipal officials that have school department spending responsibilities. These officials include the school committee, school superintendent, school business manager, school principals, legislative body, chief executive officer, accountant and treasurer.

School Committee

While school committees are often considered primarily education policy-making entities, the general laws give these committees significant fiscal powers in the school budget process. For example, the school committee has the authority to appoint and terminate the superintendent and to review and approve school budgets. However, while the committee no longer has the general authority to hire, fire and contract with individual employees, it does have specific authority to make contracts with certain employees, including the school business administrator and superintendent. In addition, the school committee negotiates collective bargaining agreements with school employees. For collective bargaining purposes, the chief executive officer is considered a member of the school committee.

The school committee also has the authority "to determine expenditures within the total appropriations" of the school department operating budget. However, the school committee's autonomy does not extend to capital and transportation costs, unless the municipality aggregates these amounts into the total school operating budget. Overall, a municipality can limit the total appropriation but the school committee has the authority to determine how the funds are spent within its overall budget. The executive officer and legislative body may make line item recommendations but they are not binding on the school committee. As head of the school department, a majority of the school committee is required to approve all bills, but the committee may designate a single member to sign the payrolls. While state statutes require these committees to provide certain services (e.g., special education, transportation, etc.), the law does not authorize school committees to incur expenditures in excess of appropriations when providing these services. The school committee has ultimate responsibility for controlling expenditures and operating within the school department's budget.

School Superintendent

The Education Reform Act of 1993 expanded the powers and responsibilities of school superintendents, who are traditionally the top administrators of school districts. The superintendent is now authorized to appoint principals as well as administrators and personnel not assigned to specific schools. Exceptions to this authority include the business administrator and several other positions with whom the school committee has explicit authority to contract. The superintendent also has approval authority over employees hired by principals for specific schools. In addition, the superintendent has authority to "dismiss any employee of the school district," subject to procedural requirements and statutory limitations.

The school superintendent's authority to contract is also subject to adequate allocation of appropriations by the school committee and the educational

goals and policies established by the school committee. The superintendent is generally responsible for preparation of a proposed budget for the school committee to "review and approve." The position reports directly to the school committee which has the authority to remove the superintendent. As an officer authorized to appoint and employ school personnel, the superintendent must sign payrolls of employees with whom he/she has contracted or approved a contract.

School Business Manager (Administrator)

School business managers or administrators are now common in many Massachusetts school districts. Generally, these administrators work with the superintendent in the day-to-day administration of schools. Only a few statutes exist that refer to the position of school business manager or administrator. Basically, the law indicates that a business administrator may be hired pursuant to a special multi-year contract with special benefits. The law also requires that this position be filled by an individual with a certificate of competency in the field. Department of Education regulations outline the certification standards for school business administrators. These standards require that a school business manager "... understands fiscal management and budget administration ... understands financial management procedures, methods and techniques to create, revise and monitor the school budget ... understands principles and practices of effective accounting ... understands resource allocation and assets management ... understands municipal and school finance ..." 603 CMR 7.11(2) & 7.12(38)

In practice, the business administrator or manager performs functions related to the internal school budget. Such duties include participation in the preparation of the annual school budget, monitoring expenditures from the school budget, making financial reports and having responsibility for preparation of the school payroll and purchasing procedures.

The business manager does not have certain authority granted by statute to the municipal accounting officer; e.g., the business manager has no statutory authority to disapprove bills or payrolls. However, one of the primary functions of the business manager is to monitor expenditures and advise the superintendent and school committee when expenditures are exceeding appropriations and other available funds (grants, gifts, revolving funds, etc.).

School Principals

As a result of the Education Reform Act of 1993, school principals now have expanded authority over certain expenditures within their respective schools. Principals have the authority to administer, manage and supervise the operation of their schools and school property, subject to the supervision and direction of the superintendent. They are responsible, consistent with personnel policies and budgetary restrictions and subject to the approval of the superintendent, for hiring personnel assigned to the school. Principals can also terminate such personnel subject to review and prior approval of the superintendent. Principals, subject to the direction of the superintendent and consistent with district policy, may purchase textbooks and other school supplies, apparatus, reference books and other means of instruction. These purchases must be accommodated within the school's allocated appropriations.

Legislative Body

Because the legislative body, i.e. town meeting or city council, has authority over the community's total budget, they also have authority over the total dollar amount of the school department budget. The legislative body does not however, have authority over the specific line items with the exception of capital and transportation costs. It can also establish reasonable standards relating to the management of financial systems and practices through the enactment of ordinances or by-laws.

Chief Executive Officer(s)

Generally speaking, the chief executive officers, namely boards of selectmen, mayors, city managers and town managers have limited authority over school departments. In cities, the mayor or city manager can recommend a lower budget than that requested by the school committee and limit the amount of the appropriation made to schools, subject to the minimum amounts required to be appropriated under Education Reform. No such authority is given to boards of selectmen or town managers under the general laws. However, unlike city managers, a board of selectmen can disapprove a warrant for payment of school expenses that are unlawful, fraudulent or excessive. Mayors and city managers do have the authority to approve certain school contracts for over $5000 unless the contract involves purely educational expenses or the exclusive authority is specifically given to school officers. Lastly, the chief executive officer in both cities and towns is considered a member of the school committee for purposes of collective bargaining.

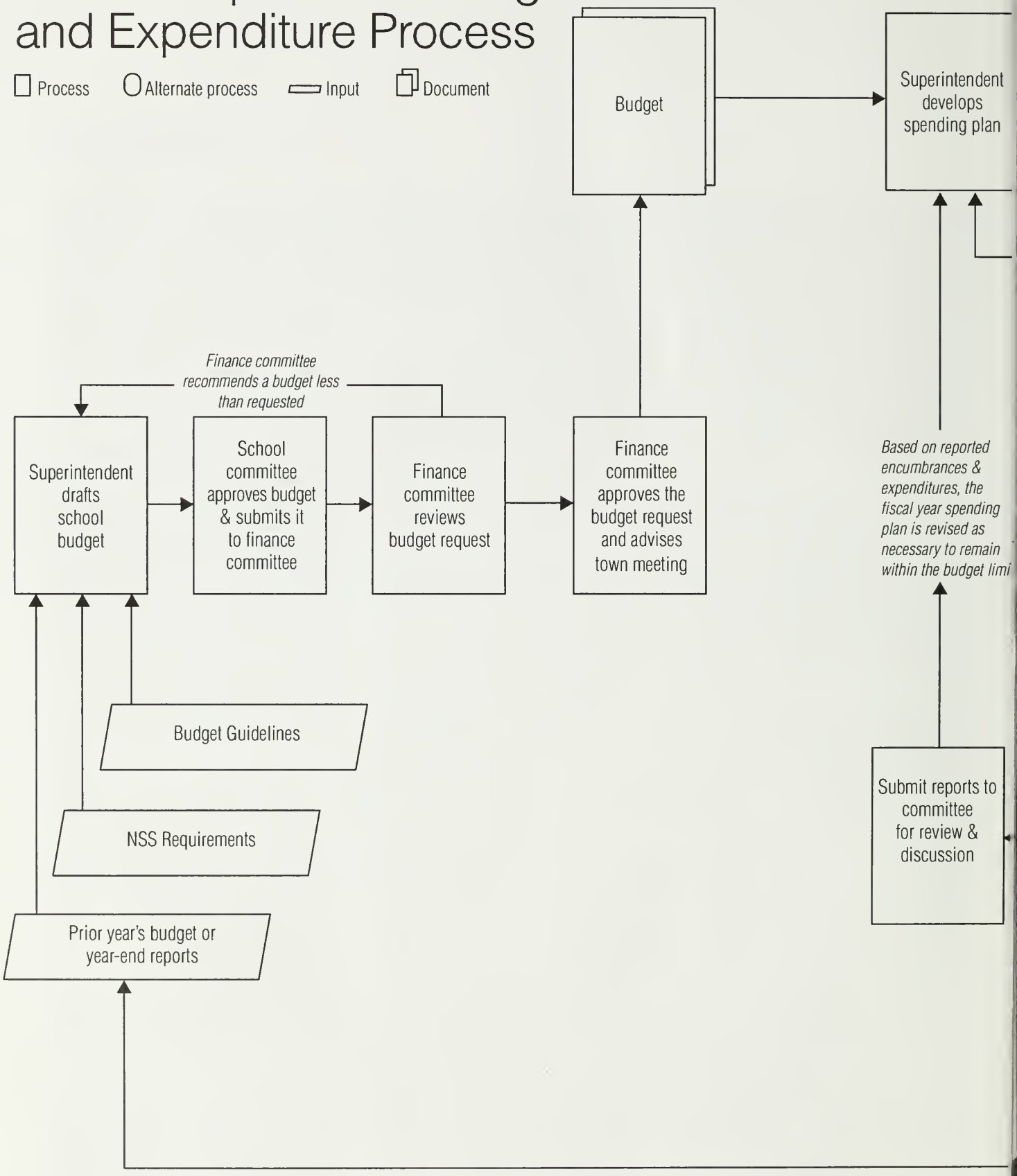
Accounting Officer

A community's accounting officer, usually a town accountant or city auditor, has an important role in monitoring departmental spending. The town accountant or city auditor has the power

continued on page six ➡

Figure 1

School Department Budget and Expenditure Process



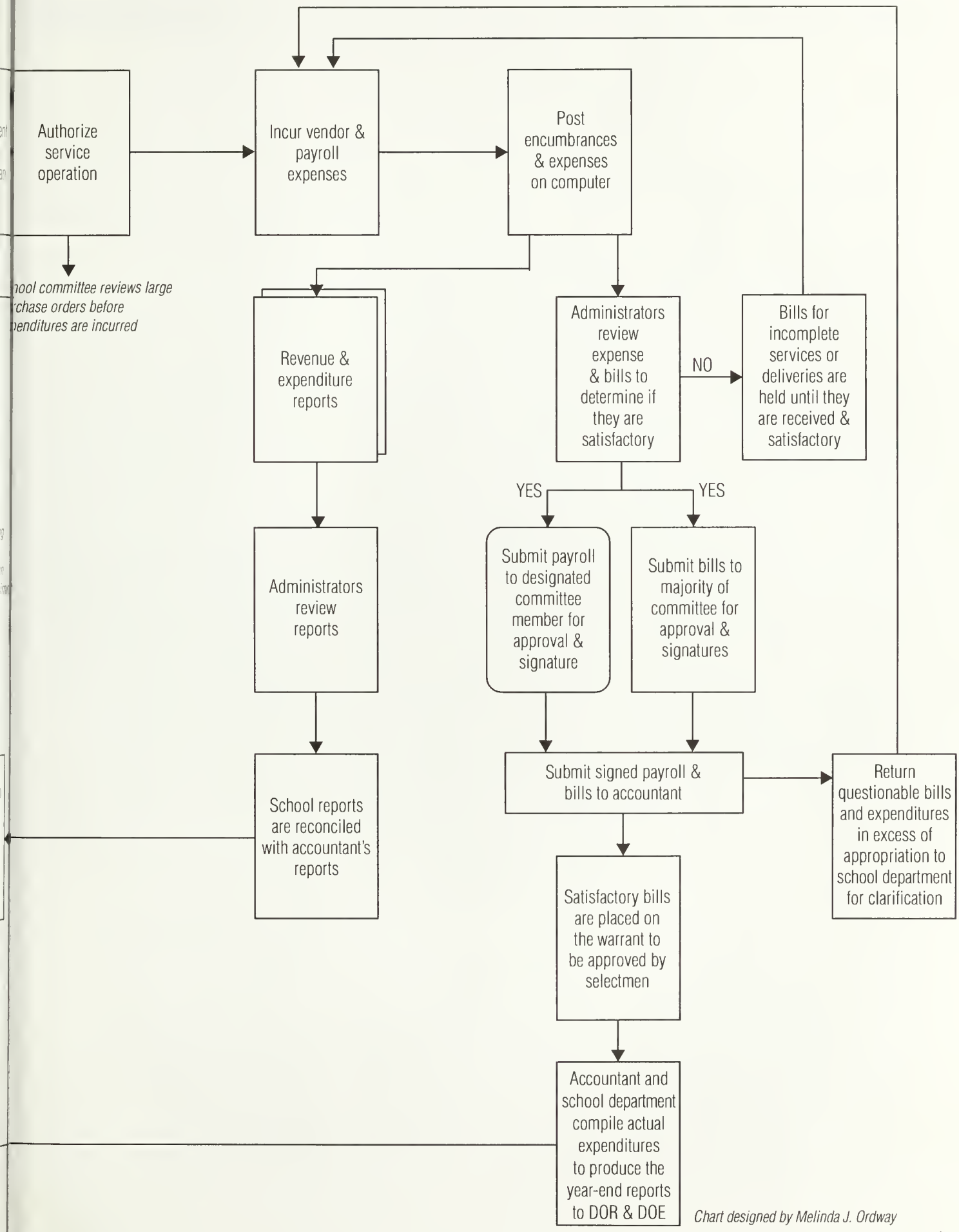


Chart designed by Melinda J. Ordway

Expenditure Process

Accountability in School Budgeting
➡ *continued from page three*

to inspect all school department bills and payrolls for validity and can disapprove payment if a payment is fraudulent, unlawful or excessive. Another duty of the accounting officer is to prepare the warrant for payment of all bills and payrolls. This official also has authority as auditor to examine the books and accounts of all officers entrusted with the receipt, custody or expenditure of school department funds. Furthermore, the accountant/auditor is required to keep a complete set of books including the amounts of each separate appropriation and the amounts and purposes of expenditures made from them. In addition, this officer must be familiar with and keep accounts in conformity with the classifications of the board of education used for school committees.

In particular, the accountant has the duty, whenever an appropriation has been expended, or whenever the liabilities incurred appear to be in excess of the unexpended (and unencumbered) balance, to immediately notify the school committee and other school officers authorized to make expenditures and to refuse payment until funds have been provided. The accounting officer is also required to notify the executive and legislative bodies.

One of the tools the accountant may use to determine whether liabilities incurred appear to be in excess of the remaining appropriation is to encumber the entire annual payroll and other funds for known executed contracts at the beginning of the fiscal year. As new contracts are executed during the year, funds should be encumbered accordingly. These amounts should remain encumbered until certification by the department head or person responsible for the expenditure that the liability has been eliminated. Any official that makes or executes a contract on behalf of the school department should furnish the accountant or auditor with an original or copy of the contact within one week of its execution.

In addition to the accounting officer's day-to-day financial management responsibilities, this position has a critical role in formulating the annual budget. At the end of the calendar year, the school department provides the municipal accounting officer with an estimate of expenditures for the next fiscal year. The accountant is also entitled to receive detailed information from the schools on expenditures during the first four months of the then-current fiscal year and estimates for the last eight months.

Lastly, the accountant is required to provide the chief executive officer with a report showing the actual expenditures made for the first six months of the current fiscal year and the amounts estimated to be expended for the next six months. At the close of the calendar year, the accountant also reports the money received from estimated receipts applicable to pay expenditures in the first six months of the fiscal year and an estimate of the last six months of that year and for the next fiscal year.

Treasurer

A municipal treasurer is the cash manager of a town or city and is therefore responsible for the deposit, investment and disbursement of municipal funds. When the accountant authorizes school department expenditures, the treasurer issues checks for payment of bills. As custodian of all municipal funds, the treasurer also oversees school department appropriations, grants, gifts, and revolving funds.

Overspending Appropriations

In addition to outlining the specific fiscal responsibilities of local and school officials in overseeing school department expenditures, the general laws also explicitly state that municipal officials are criminally liable for knowingly incurring expenditures in excess of appropriations. All municipal officers may be fined or imprisoned for knowingly violating these provisions of the General Laws.

Conclusion

As this article clearly indicates, there are a number of municipal and school officials that are responsible for school department budgeting and expenditures. The guidelines described in this article are intended to assist officials in coordinating their community's school budget process and monitoring the expenditure of school department funds. Hopefully, both inexperienced and veteran school officials will use this article as a reference tool. As public officials entrusted with public funds, it is imperative that all public funds, including school department monies, be expended and monitored in a responsible fashion. ■

Statutory References:
School Committee: MGL Ch.71 Sec. 34,37 & 41, Ch.150E Sec.1, and Ch.41 Sec.41 & 56
School Superintendent: MGL Ch.71 Sec.34, 37, 42 & 59B
School Business Manger: MGL Ch.71 Sec.38G & 41
School Principal: MGL Ch.71 Sec.48 and 59B
Legislative Body: MGL Ch.40 Sec.5 and Ch.71 Sec.34
Chief Executive Officer: MGL Ch.44 Sec.32, Ch.41 Sec.52, Ch.150E Sec.1 and Ch.43 Sec.29
Accounting Officer: MGL CH.41 Sec.3, 17, 50, 52,55, 56, 57, 58, 59 and 60; Ch.44 Sec.31, 31A & 53A; and Ch.39. Sec.1
Treasurer: MGL Ch.41 Sec.35, 41, 52, & 56 and Ch.44 Sec.53 & 53A
Criminal Liabilities: MGL Ch.44 Sec.62

DLS UPDATE

Executive Order 393 — Educational Management Accountability

The Education Reform Act of 1993 is providing significant funds to increase educational achievement and equalize spending for school children across the Commonwealth. Local and regional school districts have received nearly a $1 billion in new state education money over the past five years and $229 million in FY97 alone. In Executive Order 393 issued in February 1997, the Governor establishes clear guidelines for evaluating the program's progress and for holding educators accountable for achieving Education Reform goals. The order creates an Educational Management Accountability Board "to review, investigate and report on the expenditure of funds by school districts consistent with the goals of improving student achievement." Staffing the board will be a team of investigators under the direction of the Secretary of Administration and Finance.

Over the past year, parents, government officials and educators have expressed concern over how Education Reform funds are being spent by school districts. At the current time, the Board of Education is contemplating placing the school department of a large city into receivership for questionable spending practices. In 1996 the Division of Local Services issued a report disclosing that a southeastern Massachusetts school department had overspent the budget by $2.6 million over a two-year period. Another city is currently undergoing an audit to determine the extent of its school department deficit. While some of these problems occur because of the frequent turnover of local officials who may not be fully aware of their responsibilities, questionable spending practices and overspending should not occur. (See "Accountability in School Budgeting," page 1.)

The aforementioned problems and the fact that any new program of this magnitude and importance should undergo an evaluation has led to Executive Order 393. Through investigations of selected school districts throughout the state, taxpayers will have a better understanding of performance of school districts. The investigations will be conducted by the Educational Management Accountability Board (EMAB). The EMAB will be comprised of seven to 11 unpaid members each serving for one-year renewable appointments. The Secretary of Administration and Finance will serve as the chief of staff for the board. Additional staff will be requested from the Departments of Revenue and Education and other executive offices or agencies as needed. The investigations will be conducted in consultation with the State Auditor and the Commissioner of Education. The Director of Accounts of the Division of Local Services will be the chief investigator. Under M.G.L. Ch.44, Secs. 45 and 46A, the Director of Accounts has broad authority to examine departmental accounts and transactons. The director may also require the production of documents and books.

As outlined in the Executive Order, the EMAB will:

- Develop the protocols for the review of the schools and school districts;
- Verify the accuracy of reports of schools and school districts filed with the Department of Education;
- Conduct a review and analysis of budgets of school districts to determine whether the districts are complying with state law;
- Conduct a review and analysis of school districts' spending to determine whether the spending effectively supports the district's educational programs and the goals of the Education Reform Act; and
- Prepare and submit to the Governor and Lt. Governor a report of its findings for each school district investigated by the board. In addition, the board shall also prepare and submit an annual report of its investigations and findings.

While attention tends to focus on school districts that are having difficulties, the EMAB will seek examples of programs that are successful and can be emulated by other school districts. Reports by the board will provide the specific school districts being investigated with recommendations for improvement. These reports can be utilized by school districts seeking to improve their school department financial management and performance.

written by Marilyn H. Browne

Farewell to Kay M. Upham

City & Town and the Division of Local Services bid a fond farewell to Kay M. Upham who will be taking a position in the private sector. Although you have only seen Kay's name on *City & Town* articles since we instituted the byline policy last year, she has been a regular monthly contributor for over three and one-half years. In particular, she has been responsible for the majority of the Focus articles as well as many feature articles. We will miss her and her contributions to this newsletter. ■

Municipal Fiscal Calendar

April 1
Collector: *Mail 2nd Half Semi-Annual Tax Bills*

Job Opportunity

DOR's Division of Local Services (DLS) is seeking a program manager to write, review and edit DLS articles and publications on a variety of local government finance topics, including the monthly publication *City & Town*. This employee will also assist in the production of technical manuals and other training materials by working with DLS staff and local officials to ensure their accuracy and clarity. In addition, this program manager will oversee division-wide special projects and coordinate the work of other staff. Other job duties will include conducting research on state and federal programs and regulations as well as performing the qualitative research and quantitative analysis necessary to help the administration and legislature make policy decisions.

A minimum of four years experience is preferable and a bachelor's degree is required. Send cover letter, writing samples and resume to Marilyn H. Browne, Division of Local Services, P.O. Box 9655, Boston, MA 02114-9655, or fax to (617) 626-2330. ■

Director of Accounts Named

Revenue Commissioner Mitchell Adams announced the appointment of James R. Johnson to the position of Director of Accounts of the Division of Local Services. Jim Johnson has been an Assistant Director of Accounts since 1991. The Bureau of Accounts is responsible for setting tax rates for cities and towns, reviewing balance sheets and audits, approving certain borrowings, and other aspects of municipal finance.

As Assistant Director, Jim managed the municipal debt section and State House Note programs as well as administered the nearly $150 million Sewer Rate Relief Fund. His responsibilities also included monitoring and developing strategies for municipalities overcoming serious financial difficulties.

Jim is a graduate of Brown University and has resided in Wellesley for the past 20 years. He has been involved in town affairs as an advisory committee member and chairman, and is a member of the representative town meeting. ■

Data Bank Highlight

Trends in School Share of General Fund Spending

Data on a local school district's share of general fund spending is available through a data bank comparative report that provides local officials with data on trends in school expenditures. The report shows school expenditures, total expenditures, Department of Education integrated operating costs, net average pupils and cost per pupil.

To obtain Municipal Data Bank information contact: John Sanguinet at (617) 626-2355 for printed reports and data files; Burt Lewis at (617) 626-2358 for the On-Line Access System; or use the World Wide Web address below.

City & Town

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Marilyn H. Browne, Editor

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Mitchell Adams, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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Y2K — Why Care?

Written by David Davies

Cities and towns depend on computer software programs to perform a wide range of critical functions such as processing payroll, calculating tax bills and operating traffic lights. Most software packages use date fields, and many of these date fields abbreviate the year to store only the last two digits, e.g., "97" rather than "1997." When January 1 of the Year 2000 (Y2K) arrives, old and new software, using two-digit date references will not work correctly or may not work at all. For example, a computer program that calculates interest on delinquent real estate tax bills may interpret a *date paid of 01/02/00* as January 2, 1900, or it may refuse to process the payment. Software that projects several years in advance, such as programs for water or sewer betterments and budget projections, may already be failing.

Some officials may erroneously think that they have plenty of time — two or three years — to appropriate funds and remedy the problem. This assumption could be a dangerous one. Current projections estimate that fixing the Y2K software problem will cost approximately $300 billion nationally. Organizations will be competing for the same vendors to remedy the problem. The law of supply and demand tells us that the closer we get to Y2K, fewer consultants will be available, and those that are available will charge more.

Another consideration for municipalities is that many are using old software programs that were custom developed. This type of software will require customized correction or replacement. Finding the money to address these problems may be difficult. The Y2K problem does not have the appeal that public safety or elementary school education issues can muster. Therefore, local officials need to educate the electorate in order to keep municipalities operating at their current level.

This issue must be addressed now to avoid serious interruptions in municipal functions.

Communities have about 600 working days left in which to assess the problem, identify solutions, secure appropriations, procure vendors, manage contracts, test programs, and implement new systems (or contingency plans). In order to accomplish all of these goals, a commitment from management is needed. It would be wise to create an interdepartmental committee to assess each community's potential vulnerability to Y2K failures and to identify the actions necessary for temporary and permanent solutions. Once a community's Y2K problems are identified the following options are available:

- Fix the program, re-program the date fields and convert existing data.
- Upgrade the program by installing upgrade modules that are Y2K compliant.
- Replace the program/system with a modern Y2K compliant system.

The Year 2000 may provide the impetus to implement a new system now, but exercise caution so that too many changes are not occurring at once. Each of the approaches listed above involve different costs, schedules and risks. Careful planning with continuous oversight will be necessary to accomplish successful software conversion or replacement. Although larger communities may have more Y2K compliance issues, even the smallest communities must determine if the programs and computers they use will work after 12/31/99. There is no way to delay the Year 2000; the deadline is absolute. It is critical that this issue be addressed now to avoid serious interruptions in municipal functions.

The Division of Local Services has information on Y2K planning and available resources. Selected information is posted to the DLS home page on the World Wide Web (http://www.state.ma.us/dls). Contact John DiOrio at (617) 626-2350 to request an information packet or David Davies, DLS Information Technology Director, at (617) 626-2383 if you have questions on Y2K issues. ■

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LEGAL in Our Opinion

Q: *What is the interest rate for parcels in tax title?*
A: When the collector presently makes a tax taking on a parcel for nonpayment of taxes, the interest rate is 16 percent pursuant to M.G.L. Ch.60 Sec.62. The interest percentage which accrues on a tax title, however, is that percentage which was in effect at the time of the original taking. Subsequent statutory changes in the rate have no effect on a tax title previously established. The original amount certified by the collector, together with all amounts subsequently certified to the tax title account, will accrue interest at the initial percentage. State Tax Form 410 (Record of Tax Title Held by City or Town) lists the interest as follows:

- 6.5 percent on tax titles created prior to August 8, 1966;
- 8 percent on tax titles created on or after August 8, 1966 and prior to July 21, 1970;
- 10 percent on tax titles created on or after July 21, 1970 and prior to October 14, 1976;
- 12 percent on tax titles created on or after October 14, 1976 and prior to August 16, 1979;
- 16 percent on tax titles created on or after August 16, 1979.

Q: *Does interest earned on the school lunch program belong to the school lunch revolving fund?*
A: Yes. Ordinarily, interest belongs to the general fund in accordance with M.G.L. Ch.44 Sec.53, unless there is some other statutory provision. The state law which established the school lunch program (Ch.548 of the Acts of 1948) is silent on the subject of interest. Under federal regulations (7 CFR 11) and directives, however, which supersede state law, interest earned on the school lunch program should be credited to the revolving fund. Any interest earned, therefore, must be used for program purposes.

Q: *What is the due date for the submission of city budgets?*
A: M.G.L. Ch.44 Sec.32 states that a mayor must submit the proposed budget to the city council "within one hundred and seventy days after the annual organization of the city government." Unless there is a charter provision or special legislation in effect, the mayor has until June 20 to submit the budget for the upcoming fiscal year. Prior to its amendment, M.G.L. Ch.44 Sec.32 gave a 120-day deadline for submission of budgets. For several years, however, the Legislature enacted special acts to allow mayors additional time to submit a budget. Finally, in 1995, the Legislature granted a permanent extension by amending M.G.L. Ch.44 Sec.32 to provide a 170-day deadline.

Q: *Is a city employee protected from layoff if a salary for the position is provided by ordinance?*
A: No. M.G.L. Ch.44 Sec.33A states that a city's annual budget "shall include sums sufficient to pay the salaries of officers and employees fixed by law or by ordinance." Even if there is an ordinance fixing the number of employees or their compensation, the Appeals Court has held that such an ordinance cannot supersede the mayor's power to limit appropriations under M.G.L. Ch.44 Sec.32. *Whalen v. Holyoke*, 13 Mass. App. 446 (1982). Accordingly, the mayor is not required to include funding for the position in the budget recommendation to the city council.

Q: *Can a taxpayer who is eligible to defer his or her real estate taxes also defer his or her water and sewer charges?*

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Contingent Appropriations

Change in Law on Timing of Elections

Towns may seek to balance the annual budget, or fund capital projects, by means of an override or exclusion. Under M.G.L. Ch.59 Sec.21C(m), town meeting can make specific annual or special appropriations from the tax levy, available funds or borrowing contingent upon subsequent passage of a Proposition 2½ referendum question. A contingent appropriation eliminates the need for further town meeting action after the election.

A 1996 change in the law now measures the deadlines for holding any elections on a referendum question for a contingent appropriation from the **"date of the close of the town meeting at which the appropriation vote occurs."** [See Ch.454 Sec.26 of the Acts of 1996.] Previously, these deadlines were measured from the "date of the appropriation vote." If budget deliberations during town meeting were extended, that deadline may have made it difficult to hold timely just one election after town meeting dissolved to present any referenda questions intended to fund contingent appropriations. The new deadline will now permit towns to do so.

The following summarizes the basic provisions that now apply to the use of contingent appropriations:

- The purpose stated in the referendum question must be the same purpose as was stated in the appropriation vote;
- The appropriation is not effective until the question is approved, *i.e.*, the funds cannot be spent before approval;
- The first election at which the question appears on the ballot must take

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Focus on Municipal Finance

Free Cash — A Basic Discussion

The free cash calculation may not be obvious to new local officials or those not closely connected with municipal accounting. Over the past few years representatives from the Division of Local Services Bureau of Accounts have attended many professional municipal finance association meetings to demystify the free cash certification procedures. The purpose of this article is to continue the open discussion of free cash. Consequently, this article will define free cash, explain how it is generated and how it is calculated, and look at free cash trends statewide.

Free cash acquired its curious name from the vernacular. As defined in the dictionary, "free" means uncontrolled or unrestricted, and "cash" means money in hand and readily available. Technically, however, the Bureau of Accounts (BOA) defines free cash as the amount of a community's funds that are unrestricted and available for appropriation once certified by BOA's Director. The free cash calculation relies upon the balance sheet submitted by the town accountant or city auditor as of June 30 each year. The balance sheet is a statement, at a given point in time, of what a community owns (assets), owes (liabilities) and what is left (fund balance).

Typically, unrestricted funds occur when a community's actual revenues exceed its budgeted revenues and/or when actual expenditures are less than budgeted expenditures. In order to have a healthy free cash balance a community must carefully budget both revenues and expenditures, thereby increasing fund balance on the balance sheet. To illustrate how free cash occurs we have created a simplified balance sheet in *Figure 1*.

Calculation

BOA calculates free cash by beginning with the undesignated fund balance on the balance sheet. Property tax receivables, other receivables not fully deferred, and certain other deficits are subtracted from this balance. The deferred revenue for property taxes is then added to this balance. Deferred revenue represents amounts that are measurable because they have been committed to the tax collector but are not yet expendable since they have not been collected. In addition, BOA reviews all funds and free cash may be reduced by any unprovided for or overdrawn accounts that are reflected in those funds, such as an overdrawn grant or agency account. Deficits in other funds are deducted from the free cash calculation because more was spent than collected thereby creating an implicit "loan" from the community's general fund.

In addition to the balance sheet, BOA requires a checklist with supplemental information. Accountants and auditors report information that helps BOA analyze how the community has generated free cash, such as:

- State and local estimated revenues vs. actual revenues;
- Prior year free cash not appropriated;
- Unexpended or unencumbered appropriations;
- Appropriation deficits; and
- Revenue deficits.

This information together with changes in property tax receivables constitutes a free cash verification. However, before free cash is certified, total cash and investments reported on the treasurer's June 30 quarterly cash reconciliation report are compared to the total cash and investments reported on the accountant's balance sheet. A

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Figure 1

Simplified Balance Sheet

Assets		Liabilities		Fund Balance	
1 Cash	4,000,000	5 Warrants payable	250,000	8 Reserved for encumbrances	1,750,000
Receivables:		6 Deferred revenues	350,000	9 Undesignated fund balance	1,500,000
2 Property taxes	200,000	7 Other liabilities	500,000		
3 Other	300,000				
4 Allowance for abatements	(150,000)				
Total assets	**$4,350,000**	**Total liabilities**	**$1,100,000**	**Total fund equity**	**$3,250,000**
				Total liabilities + fund equity	**$4,350,000**

Undesignated fund balance (line 9) – Receivables (lines 2 & 3) + Deferred revenue (line 6) = Free cash

$1,500,000 – ($200,000 + $300,000) + $350,000 = $1,350,000

Assets = Liabilities + Fund equity

Free Cash Balances: as of 7/1/95 and 7/1/96

Municipality	7/1/95 free cash certification	7/1/96 free cash certification	7/1/95 as a % of FY96 budget	7/1/96 as a % of FY97 budget	Dollar Change
Abington	501,984	361,186	2.17	1.53	(140,798)
Acton	3,599,208		9.89		
Acushnet	457,248	457,337	3.47	3.41	89
Adams	944,500		9.96		
Agawam	1,688,148		4.16		
Alford	93,719	122,177	13.16	15.62	28,458
Amesbury	772,677	542,302	2.81	1.80	(230,375)
Amherst	2,137,726	1,988,054	5.26	4.67	(149,672)
Andover	3,493,524	2,399,209	5.07	3.21	(1,094,315)
Arlington	808,425	1,532,975	1.12	2.05	724,550
Ashburnham	27,366	85,797	0.45	*	58,431
Ashby	261	225,242	0.01	6.49	224,981
Ashfield	185,698	58,743	9.09	2.47	(126,955)
Ashland	981,613	(249,213)	4.46	– 1.05	(1,230,826)
Athol	590,678	559,796	6.87	6.24	(30,882)
Attleboro	2,246,261	1,530,571	3.53	2.26	(715,690)
Auburn	1,200,688	366,684	5.48	1.52	(834,004)
Avon	261,687	592,923	2.96	6.56	331,236
Ayer	1,021,000	(547,157)	6.22	*	(1,568,157)
Barnstable	2,012,881	4,862,123	2.42	5.21	2,849,242
Barre	482,433	817,779	9.59	14.10	335,346
Becket	71,774	69,843	2.46	2.53	(1,931)
Bedford	1,993,802	2,659,985	5.89	7.37	666,183
Belchertown	1,069,218	1,522,509	5.34	6.84	453,291
Bellingham	1,877,356	2,045,840	7.02	7.29	168,484
Belmont	569,957	2,078,621	1.13	3.77	1,508,664
Berkley	(192,324)		– 2.86		
Berlin	274,491	304,742	7.08	6.85	30,251
Bernardston	377,890	393,674	18.39	18.05	15,784
Beverly					
Billerica	2,776,416	1,759,765	3.98	2.42	(1,016,651)
Blackstone	496,477	420,173	6.45	5.29	(76,304)
Blandford	114,496	6,680	8.06	*	(107,816)
Bolton	643,701	(651,200)	10.04	– 8.73	(1,294,901)
Boston					
Bourne	1,288,206	1,798,341	4.81	6.41	510,135
Boxborough	574,290	1,099,366	7.04	13.11	525,076
Boxford	1,189,961	1,074,106	9.33	7.43	(115,855)
Boylston	333,848	121,540	6.55	2.19	(212,308)
Braintree	2,283,642	1,944,048	3.64	2.82	(339,594)
Brewster	1,769,062	1,781,966	8.97	7.90	12,904
Bridgewater	603,737	410,866	2.76	1.67	(192,871)
Brimfield	450,344	278,916	8.87	5.05	(171,428)
Brockton	4,655,160	4,678,112	2.63	2.45	22,952
Brookfield	284,583		6.32		
Brookline	3,078,581		2.47		
Buckland	95,864	123,126	4.15	5.11	27,262
Burlington	2,662,508		4.96		
Cambridge	19,457,004	20,866,888	5.17	7.45	1,409,884
Canton	1,034,744	803,793	2.67	1.92	(230,951)
Carlisle	1,014,132	698,183	9.45	6.16	(315,949)
Carver	209,589	584,684	1.07	2.77	375,095
Charlemont	175,891	102,175	10.94	6.00	(73,716)
Charlton	537,896	475,366	5.88	5.21	(62,530)
Chatham	650,285	1,378,630	3.09	6.59	728,345
Chelmsford	2,168,496	1,320,745	3.81	2.26	(847,751)
Chelsea	190,894	1,121,044	0.26	1.47	930,150
Cheshire	233,580	84,366	9.36	2.86	(149,214)
Chester	29,495	(21,300)	2.22	– 1.50	(50,795)
Chesterfield	161,633	144,015	11.43	9.29	(17,618)
Chicopee	2,491,593	2,235,429	2.96	2.51	(256,164)
Chilmark	277,712	137,351	9.20	4.10	(140,361)
Clarksburg					
Clinton	796,352	392,784	4.01	2.03	(403,568)
Cohasset	964,966	927,279	5.56	5.02	(37,687)
Colrain	133,766	179,116	7.20	8.69	45,350
Concord	4,131,232	3,559,144	11.59	9.55	(572,088)
Conway	118,190		3.95		
Cummington	7,707	124,037	0.62	9.58	116,330
Dalton	1,341,124	777,142	17.49	8.86	(563,982)
Danvers	1,007,635	1,463,840	1.99	2.74	456,205
Dartmouth	1,458,323	1,847,134	3.71	4.47	388,811
Dedham	961,919	1,660,186	2.28	3.70	698,267
Deerfield	1,852,041		27.44		
Dennis	2,021,254	1,381,249	7.73	5.43	(640,005)
Dighton	176,797	190,501	2.62	2.74	13,704
Douglas	488,579	284,313	5.01	2.63	(204,266)
Dover	2,201,658	503,478	18.29	4.01	(1,698,180)
Dracut	1,752,319	2,998,954	5.18	7.70	1,246,635
Dudley	(105,812)	263,597	– 1.38	3.22	369,409
Dunstable	303,531	324,645	8.92	8.92	21,114
Duxbury	3,134,820	2,499,943	10.09	7.51	(634,877)
East Bridgewater	131,003	1,309,483	0.62	5.97	1,178,480
East Brookfield	478,101	350,105	23.74	16.79	(127,996)
East Longmeadow	1,888,972	2,126,045	7.88	8.10	237,073
Eastham	1,084,195	980,637	9.38	8.20	(103,558)
Easthampton	10,556	338,678	0.05	1.48	328,122
Easton	1,449,058	1,448,162	4.72	4.34	(896)
Edgartown	551,995	81,129	4.03	0.57	(470,866)
Egremont	344,936	223,228	15.54	9.90	(121,708)
Erving	214,329	324,729	5.52	8.18	110,400
Essex	152,860	35,236	3.07	0.59	(117,624)
Everett	3,590,134	1,833,002	4.92	2.49	(1,757,132)
Fairhaven	1,704,620	1,544,066	5.84	5.95	(160,554)
Fall River	(1,495,187)	1,984,534	– 1.05	1.32	3,479,721
Falmouth	3,137,658	2,998,686	5.53	4.97	(138,972)
Fitchburg	1,413,643	1,420,075	2.23	2.08	6,432
Florida	348,384	495,112	23.30	28.96	146,728
Foxborough	1,428,285	1,039,737	5.14	3.42	(388,548)
Framingham	4,104,167	2,117,777	3.31	1.58	(1,986,390)
Franklin	2,923,583	3,662,224	6.83	7.22	738,641
Freetown	372,081	401,123	3.51	3.34	29,042
Gardner	909,233	494,943	3.14	1.52	(414,290)
Gay Head	(46,721)		– 3.23		
Georgetown	392,421	938,596	3.37	7.39	546,175
Gill	195,956	219,227	14.14	15.15	23,271
Gloucester	1,344,295	732,051	2.50	1.27	(612,244)
Goshen	32,795	(35,991)	2.66	– 2.72	(68,786)
Gosnold	129,816	95,833	19.14	15.08	(33,983)
Grafton	1,604,724	1,376,715	8.93	7.15	(228,009)
Granby	842,353	1,142,277	10.47	14.30	299,924
Granville	122,742	271,065	5.03	10.59	148,323
Great Barrington	1,614,148	1,283,245	12.99	9.36	(330,903)
Greenfield	113,426	319,406	0.37	1.02	205,980
Groton	411,558	490,512	3.26	3.57	78,954
Groveland	340,289	430,977	5.08	5.74	90,688
Hadley	224,905	416,940	3.20	5.11	192,035
Halifax	641,694	395,840	6.43	3.55	(245,854)
Hamilton	426,544	687,691	3.58	5.52	261,147
Hampden	66,719	184,985	1.21	3.16	118,266
Hancock	270,075		23.68		
Hanover	2,052,228	1,451,925	8.53	5.50	(600,303)
Hanson	199,585	473,173	1.69	4.04	273,588
Hardwick	486,593	307,867	18.21	9.94	(178,726)
Harvard	85,565	204,498	0.81	1.78	118,933
Harwich	2,911,183		11.22		
Hatfield	219,463	482,664	4.19	7.91	263,201
Haverhill	(800,276)	451,835	– 0.61	0.33	1,252,111
Hawley	94,475		19.96		
Heath	99,836	170,651	8.34	13.28	70,815
Hingham	4,165,103	2,511,049	10.34	5.64	(1,654,054)
Hinsdale	53,400	392,348	2.34	16.70	338,948
Holbrook	252,127		1.36		
Holden	161,237	422,515	0.79	2.03	261,278
Holland	101,375	262,006	3.20	7.58	160,631
Holliston	983,586	688,193	4.02	2.79	(295,393)
Holyoke	3,264,963	5,459,002	3.43	5.38	2,194,039
Hopedale	128,093	310,356	1.41	2.94	182,263
Hopkinton	749,041	330,888	3.35	1.38	(418,153)
Hubbardston	201,866	177,040	6.00	5.07	(24,826)
Hudson	2,459,667		7.86		
Hull	533,360	1,066,011	2.52	4.64	532,651
Huntington	95,916	44,841	4.11	2.07	(51,075)
Ipswich	1,059,837	929,269	5.27	4.22	(130,568)
Kingston	1,549,879	1,240,323	10.10	6.49	(309,556)
Lakeville	440,808		3.28		
Lancaster	(49,014)	(115,282)	– 0.76	– 1.70	(66,268)
Lanesborough	149,388	181,118	3.03	3.50	31,730
Lawrence	(2,465,747)		– 1.88		
Lee	71,404	299,083	0.72	2.86	227,679
Leicester	636,195	452,719	4.17	2.79	(183,476)
Lenox	2,902,729	3,187,712	22.59	24.11	284,983
Leominster	4,221,930	4,655,623	7.39	6.72	433,693
Leverett	150,757	304,710	6.16	11.50	153,953
Lexington	2,502,823	2,016,527	3.18	2.44	(486,296)
Leyden	(8,845)	42,610	– 1.04	4.96	51,455
Lincoln	2,152,599	2,638,302	12.64	15.44	485,703
Littleton	743,188		5.02		
Longmeadow	1,364,287	1,618,822	4.43	5.00	254,535
Lowell	72,896	3,674,485	0.04	1.78	3,601,589
Ludlow	1,756,607	1,499,703	6.16	4.81	(256,904)
Lunenburg	510,473	901,801	4.03	6.40	391,328
Lynn	3,605,578	2,169,302	2.57	1.43	(1,436,276)
Lynnfield	1,484,886	1,680,845	7.69	8.34	195,959
Malden	(1,252,280)	(3,117,400)	– 1.53	– 3.71	(1,865,120)
Manchester	866,175	1,369,797	7.06	10.19	503,622
Mansfield	1,908,280	716,659	5.00	1.74	(1,191,621)
Marblehead	2,119,830	1,730,262	5.66	4.29	(389,568)
Marion	316,898	425,661	3.46	4.30	108,763
Marlborough	714,817	1,929,107	1.16	2.94	1,214,290
Marshfield	1,545,494	1,554,351	3.71	3.51	8,857
Mashpee	794,685	2,816,543	3.62	10.71	2,021,858
Mattapoisett	515,443	564,914	4.84	4.94	49,471
Maynard	(126,824)	(148,094)	– 0.72	– 0.82	(21,270)
Medfield	1,102,466	1,002,497	5.00	4.33	(99,969)
Medford	1,716,940	1,192,872	1.96	1.32	(524,068)
Medway	(538,872)	39,862	– 2.94	0.19	578,734
Melrose	644,444	1,152,656	1.44	2.48	508,212
Mendon	412,826	726,688	8.16	13.99	313,862
Merrimac	308,338		4.33		

Municipality	7/1/95 free cash certification	7/1/96 free cash certification	7/1/95 as a % of FY96 budget	7/1/96 as a % of FY97 budget	Dollar Change
Methuen	6,460	1,225,189	0.01	*	1,218,729
Middleborough	758,559	917,941	2.26	2.56	159,382
Middlefield	140,173		23.32		
Middleton	1,336,275	1,337,334	13.91	12.70	1,059
Milford	255,677	1,473,176	0.59	3.18	1,217,499
Millbury	2,377,081	1,787,875	14.89	10.33	(589,206)
Millis	319,382	(62,008)	2.34	– 0.45	(381,390)
Milliville	352,046	325,451	12.51	11.71	(26,595)
Milton	754,889	975,601	1.68	2.02	220,712
Monroe	129,093	135,138	31.68	29.52	6,045
Monson	550,051	534,564	4.24	3.76	(15,487)
Montague	318,331	226,488	3.34	2.29	(91,843)
Monterey	192,321	167,863	10.68	9.56	(24,458)
Montgomery	207,301	294,518	19.31	30.14	87,217
Mount Washington	85,120	79,994	19.84	23.80	(5,126)
Nahant	16,572	108,956	0.25	1.55	92,384
Nantucket	3,774,965		8.78		
Natick	1,675,191	2,131,823	2.84	3.40	456,632
Needham	2,078,930	2,301,407	3.46	3.56	222,477
New Ashford	112,372		35.85		
New Bedford					
New Braintree	187,525	94,565	18.58	7.90	(92,960)
New Marlborough	171,720	87,999	7.79	3.71	(83,721)
New Salem	87,251	63,609	7.24	5.18	(23,642)
Newbury	241,774	318,330	2.83	3.52	76,556
Newburyport	(980,576)	79,662	– 3.34	0.26	1,060,238
Newton	6,253,729	5,073,121	3.35	2.55	(1,180,608)
Norfolk	133,021	95,953	0.89	0.61	(37,068)
North Adams	975,126	583,453	3.80	2.00	(391,673)
North Andover	(672,080)	1,196,494	– 1.74	2.85	1,868,574
North Attleborough	1,903,255	1,898,446	4.76	4.31	(4,809)
North Brookfield	362,802	248,582	4.84	3.20	(114,220)
North Reading	1,118,001	864,478	4.21	3.02	(253,523)
Northampton	1,771,451	1,164,001	3.72	2.35	(607,450)
Northborough	2,140,167	2,314,741	10.37	10.49	174,574
Northbridge	375,172	469,652	2.07	2.29	94,480
Northfield	184,635	352,267	5.45	10.04	167,632
Norton	1,773,760	580,260	7.03	2.05	(1,193,500)
Norwell	1,049,094	717,728	5.42	3.34	(331,366)
Norwood	1,071,747	1,014,345	1.36	1.23	(57,402)
Oak Bluffs	1,307,865	626,676	11.19	4.64	(681,189)
Oakham	234,177	56,439	14.67	3.09	(177,738)
Orange	386,440	493,205	3.30	3.90	106,765
Orleans	1,835,801	1,667,781	11.48	9.98	(168,020)
Otis	265,986	432,373	11.86	18.32	166,387
Oxford	762,505	1,237,033	4.39	6.72	474,528
Palmer	(346,126)	126,553	– 1.59	0.59	472,679
Paxton	481,106	575,322	10.11	10.94	94,216
Peabody	6,537,166	4,850,747	7.87	5.43	(1,686,419)
Pelham	180,938	259,241	9.20	12.56	78,303
Pembroke	1,365,635	1,055,213	5.69	4.14	(310,422)
Pepperell	1,199,795	1,832,371	9.93	14.75	632,576
Peru	62,126	71,850	4.47	7.12	9,724
Petersham	207,644	225,783	11.89	12.43	18,139
Phillipston	(56,700)		– 4.68		
Pittsfield	2,053,544		2.74		
Plainfield	56,992	88,351	5.61	8.31	31,359
Plainville	296,087	653,800	3.14	6.37	357,713
Plymouth	6,657,859	3,419,682	6.60	3.35	(3,238,177)
Plympton	348,825	153,942	8.87	3.84	(194,883)
Princeton	394,704	362,742	7.78	7.09	(31,962)
Provincetown	996,409	388,425	6.54	2.41	(607,984)
Quincy	5,682,179	4,214,245	3.73	2.61	(1,467,934)
Randolph	207,043	1,909,051	0.47	4.05	1,702,008
Raynham	35,221	574,456	0.29	4.33	539,235
Reading	1,755,495	2,099,794	4.09	4.46	344,299
Rehoboth	256,141	446,126	2.63	4.37	189,985
Revere	(126,163)	981,256	– 0.18	1.32	1,107,419
Richmond	228,677	125,105	8.48	3.74	(103,572)
Rochester	840,234	663,774	10.20	7.78	(176,460)
Rockland	891,667	872,252	3.10	2.83	(19,415)
Rockport	1,326,034	610,040	8.10	3.36	(715,994)
Rowe	1,130,017	798,639	47.07	30.26	(331,378)
Rowley	239,765	266,345	3.32	3.59	26,580
Royalston					
Russell	193,424	180,317	7.94	7.67	(13,107)
Rutland	147,186	707,766	2.60	10.36	560,580
Salem	1,429,092	1,260,229	1.98	1.68	(168,863)
Salisbury	(688,403)	9,001	– 6.73	0.08	697,404
Sandisfield	294,187	463,800	20.77	34.50	169,613
Sandwich	1,135,681	593,783	3.83	1.76	(541,898)
Saugus	1,205,913	1,163,904	2.68	2.58	(42,009)
Savoy	30,996	50,959	3.14	4.89	19,963
Scituate	1,210,613	1,063,831	3.94	3.18	(146,782)
Seekonk	1,071,538	1,130,927	5.01	4.95	59,389
Sharon	2,964,233	1,812,340	9.82	5.50	(1,151,893)
Sheffield	522,807	702,550	10.87	14.96	179,743
Shelburne	124,405	174,243	5.17	7.21	49,838
Sherborn	751,494	811,749	7.09	7.35	60,255
Shirley	75,400	488,652	1.10	6.52	413,252
Shrewsbury	3,909,803	2,996,394	8.66	6.91	(913,409)
Shutesbury	204,769	216,802	7.04	6.54	12,033
Somerset	2,637,174	3,013,474	8.33	8.82	376,300
Somerville	4,822,698	4,876,268	4.16	4.04	53,570
South Hadley	617,194	718,471	2.70	2.98	101,277
Southampton	359,640	264,824	5.19	3.49	(94,816)
Southborough	1,316,207	1,094,836	8.98	7.08	(221,371)
Southbridge	1,625,743	2,897,354	5.82	9.95	1,271,611
Southwick	691,323	561,415	7.63	5.67	(129,908)
Spencer	150,746	225,820	1.63	2.35	75,074
Springfield		(10,178,429)		– 3.17	
Sterling	222,984		2.74		
Stockbridge	1,641,700	1,319,470	36.86	23.23	(322,230)
Stoneham	992,964	1,258,729	2.59	3.09	265,765
Stoughton	1,246,254	265,478	2.68	0.55	(980,776)
Stow	919,090	703,369	10.12	6.99	(215,721)
Sturbridge	942,411	847,367	7.17	6.23	(95,044)
Sudbury	993,696		2.85		
Sunderland	176,421	281,577	4.37	6.65	105,156
Sutton	(484,677)	63,637	– 4.15	0.51	548,314
Swampscott	285,510		1.05		
Swansea	(503,266)	(467,387)	– 2.55	– 2.30	35,879
Taunton	3,682,088	5,264,159	4.08	5.36	1,582,071
Templeton	428,280	765,831	8.69	11.02	337,551
Tewksbury	1,631,963	872,352	3.38	1.73	(759,611)
Tisbury	1,918,530	734,121	16.72	5.68	(1,184,409)
Tolland	119,526	105,877	22.62	19.56	(13,649)
Topsfield	661,146	733,821	6.69	6.87	72,675
Townsend	521,323	464,437	5.52	4.79	(56,886)
Truro	328,684		5.55		
Tyngsborough	557,878	1,501,241	3.32	8.43	943,363
Tyringham	65,338	122,470	7.64	14.24	57,132
Upton	486,688	335,805	8.05	4.89	(151,083)
Uxbridge	(192,827)	105,096	– 1.26	0.60	297,923
Wakefield	1,372,737	1,210,132	3.05	2.57	(162,605)
Wales		182,580		7.96	
Walpole	610,257	1,432,298	1.59	3.63	822,041
Waltham	5,003,654	6,352,788	4.62	5.50	1,349,134
Ware	710,141	821,272	5.12	5.60	111,131
Wareham	(663,400)	542,761	– 1.90	*	1,206,161
Warren	288,621	233,147	6.11	4.50	(55,474)
Warwick	48,474	102,910	5.18	10.40	54,436
Washington	75,596	47,730	11.05	6.19	(27,866)
Watertown	2,471,653	3,000,985	4.35	4.98	529,332
Wayland	1,524,186	1,779,815	4.71	5.19	255,629
Webster	839,538	829,569	3.70	3.31	(9,969)
Wellesley	2,193,797	2,516,617	4.20	4.62	322,820
Wellfleet	716,456	646,124	9.06	7.11	(70,332)
Wendell	105,702		8.48		
Wenham	770,128	809,190	12.98	12.22	39,062
West Boylston	1,233,362	1,475,163	12.37	12.60	241,801
West Bridgewater	700,940	350,022	5.84	2.55	(350,918)
West Brookfield	505,366	571,529	13.15	12.01	66,163
West Newbury	939,869	903,970	14.21	13.02	(35,899)
West Springfield	1,690,308	4,349,344	3.73	8.88	2,659,036
West Stockbridge					
West Tisbury	261,656	179,967	4.33	2.55	(81,689)
Westborough	2,202,179	1,172,739	6.11	2.95	(1,029,440)
Westfield	2,249,824	4,817,155	3.39	6.50	2,567,331
Westford	25,503	1,119,035	0.08	3.08	1,093,532
Westhampton	41,152	26,211	1.74	0.99	(14,941)
Westminster	706,967	1,181,372	9.14	12.82	474,405
Weston	1,279,433	822,974	3.88	2.36	(456,459)
Westport	801,393	610,559	4.75	*	(190,834)
Westwood	1,316,226	811,107	4.08	2.37	(505,119)
Weymouth	1,573,841	1,582,980	1.87	1.81	9,139
Whately	204,625	189,841	7.65	6.83	(14,784)
Whitman	622,645	732,294	3.72	4.31	109,649
Wilbraham	456,544	315,557	2.58	1.70	(140,987)
Williamsburg	200,144	218,180	6.17	6.43	18,036
Williamstown	361,487	700,817	3.24	5.78	339,330
Wilmington	213,729	1,062,798	0.58	2.74	849,069
Winchendon	255,162	934,456	1.63	5.14	679,294
Winchester	1,084,635		2.55		
Windsor	206,588	264,428	14.85	*	57,840
Winthrop	681,193	291,409	2.41	1.07	(389,784)
Woburn	(1,476,780)	1,518,391	– 2.24	2.16	2,995,171
Worcester	4,028,831	2,993,157	1.31	0.90	(1,035,674)
Worthington	131,291	131,553	8.29	7.82	262
Wrentham	752,957	748,878	4.83	4.25	(4,079)
Yarmouth	5,140,008	3,303,086	11.40	7.21	(1,836,922)
Total Dollars					
Positive	362,560,695	343,011,736			
Negative	(13,272,900)	(15,593,461)			
Total Number					
Positive	321	304			
Negative	22	11			
Not Certified	8	36			

Tax Rate not set as of 3/19/97 (*)

Table 1

Free Cash — A Basic Discussion
➡ *continued from page three*

variance indicates problems with a community's accounting records and BOA will not certify free cash until the accountant or auditor provides a detailed reconciliation of the two reports.

At midnight on June 30 a free cash certification expires. This occurs because free cash must reflect the results of operations in the year just ended and not that of an earlier year. Free cash will not be available until a balance sheet for the fiscal year just ended has been submitted and the free cash number is calculated, verified and certified.

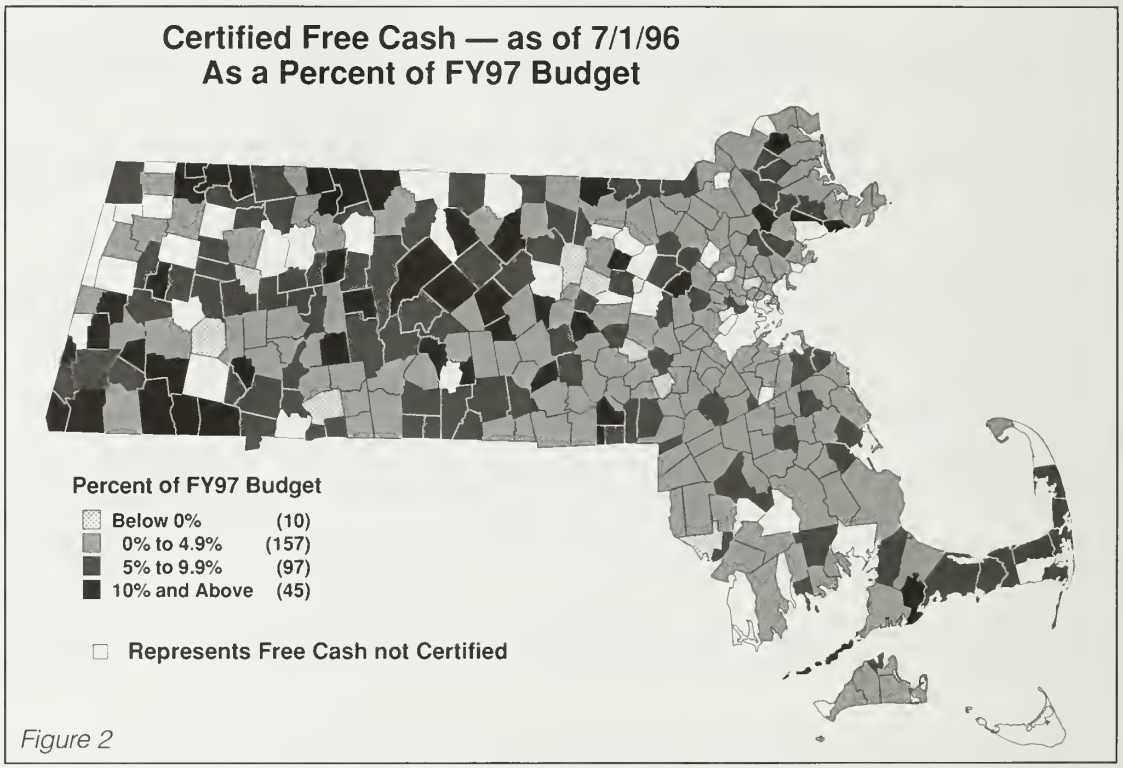

Figure 2

Analysis

At the time this article was written 315 cities and towns had certified free cash as of 7/1/96. (See *Table 1.*) The number of communities with positive free cash is 304, with balances totaling $343 million. Eleven communities have negative free cash balances amounting to $15.6 million and 36 communities had not submitted their balance sheets. Free cash certifications in these 315 communities range from a high of $20.8 million to a low of negative $10.2 million. As a percentage of municipal budgets (see *Figure 2*) free cash averages 5.86 percent (as of 7/1/96) which is a drop of 0.12 percent from the prior year. The numbers, as a percent of budget in FY97, range from a high of 34.5 percent to a low of negative 8.73 percent.

For comparison purposes we will look at only 306 of the 315 communities with certified free cash as of 7/1/96. We have chosen these 306 communities because each of them has set their tax rate for FY97 and has a certified free cash number for both 7/1/95 and 7/1/96. Of the 17 communities with negative free cash last year (as of 7/1/95), 13 of them have climbed to a positive cash figure in the most recent certification. Only five communities that had positive free cash as of 7/1/95 have dropped to a negative balance as of 7/1/96.

Overall, free cash, as of 7/1/96, has increased by approximately $15.5 million (4.85 percent) over the previous year in the 306 communities with complete data. There are 160 communities that experienced an increase in free cash totaling $76.6 million (or a 59 percent increase over the previous year's certification). Conversely, there are 146 communities that saw a decline in free cash of $61.2 million (or negative 32.2 percent reduction over the prior year's certification). Although the resulting net change in free cash appears to be relatively inconsequential, a closer look shows that there was a great deal of activity with more communities registering increases rather than decreases. In addition, the analysis indicates that free cash statewide is stable with a slight upward swing. ■

Data analysis by Donna Demirai

DLS UPDATE

Director of Administration

Assuming the position of Director of Administration in the Division of Local Services (DLS) is Gerard Perry. In addition to administrative duties he will manage special projects in the division. The first of these special projects will be school district reviews throughout the Commonwealth to determine if the goals of Education Reform are being met.

Gerry comes to DLS with a wealth of government knowledge and experience. For the past 13 years, he has worked as an inspector in DOR's Office of Internal Affairs. Previously, he was a police sergeant on the north shore. As a resident of Swampscott, he has served as chairperson of the capital improvement committee for six years and town meeting member for 10 years. Currently, he is a member of the finance committee that he chaired for several years.

Gerry has a bachelor degree in criminal justice from Northeastern University and an advanced degree in public administration from Suffolk University. ■

Data Bank Director

The Municipal Data Bank's new director is Stanley Nyberg. Stan has just joined the Division of Local Services after having worked in DOR's Child Support Enforcement Division (CSE) as Data Integrity Coordinator/Internal Consultant for the past six years. Previously he was deputy chief of DOR's former MASSTAX Bureau.

While employed in CSE, Stan analyzed and modified the revenue accounting and case management system, developed data bases for financial and demographic information and supervised technical staff. Stan's unique talents and abilities will be used to analyze data and to enhance the exchange of information with DLS constituents, e.g., municipal govenment officials, the administration, legislators, state agencies and the public.

He holds a Ph.D from State University of New York and subsequently a masters in public and private management from Yale University. In addition to his intellectual pursuits he has been active as a member of the board of directors for a children's home in Connecticut, as a fund raiser for his university, and playing rugby and running. ■

Job Opportunity

DOR's Division of Local Services (DLS) is seeking a program manager to write, review and edit DLS articles and publications on a variety of local government finance topics, including the monthly publication *City & Town*. This employee will also assist in the production of technical manuals and other training materials by working with DLS staff and local officials to ensure their accuracy and clarity. In addition, this program manager will oversee division-wide special projects and coordinate the work of other staff. Other job duties will include conducting research on state and federal programs and regulations as well as performing the qualitative research and quantitative analysis necessary to help the administration and legislature make policy decisions.

A minimum of four years experience is preferable and a bachelor's degree is required. Send cover letter, writing samples and resume to Marilyn H. Browne, Division of Local Services, PO Box 9655, Boston, MA 02114-9655, or fax to (617) 626-2330. ■

Contingent Appropriations
➡ *continued from page two*

place no later than 45 days **after the close of the town meeting at which the contingent appropriation vote was taken**. If an election does not occur within that time period, the contingent appropriation is null and void;

- Other elections may be scheduled if the question is not approved at the first election, but they must be held no later than 90 days **after the close of the town meeting at which the contingent appropriation vote was taken**. If the voters have not approved the question upon expiration of the 90 day period, the contingent appropriation is null and void; and

- If the contingent appropriation was made from the tax levy, the tax rate cannot be submitted to the Commissioner of Revenue for approval until the question has been voted upon, or 45 days have passed, whichever occurs first. ■

Legal
➡ *continued from page two*

A: Unless the municipality has accepted M.G.L. Ch.40 Sec.42J for water charges and/or M.G.L. Ch.83 Sec.16G for sewer charges, the taxpayer may not defer these utility charges which are added to the property tax bill for purposes of collection. If the taxpayer defers all or a portion of the real estate taxes, a lien called a Statement of Entry into Tax Deferral and Recovery Agreement is recorded at the Registry of Deeds and the tax amount deferred is treated like a tax title. The collector would certify all unpaid water and sewer charges to the tax title account. The deferred taxes will accrue interest at 8 percent. Interest on the utility charges would accrue at 16 percent, rather than 8 percent rate, if deferred. ■

Compiled by James Crowley

Municipal Fiscal Calendar

May 1
Taxpayer: *Deadline for Payment of Semi-annual and Quarterly Tax Bill Without Interest*

Treasurer: *Deadline for Payment of 2nd Half of County Tax*

Accountant/Treasurer: *Notification of Amount of Debt Due in Next Fiscal Year*
As required by M.G.L. Ch. 44, Sec. 28, the Accountant or Treasurer must notify the Assessors of all debt due in the next fiscal year because the town is required to pay its debts, appropriated or not.

Since all debt service must be paid, any debt service not covered by town meeting appropriations is added to the "Other Local Expenditures" category, found on page 2 of the Tax Recapitulation Sheet. It is important that the Assessors have this information in order to avoid setting a tax rate lower than required and raising insufficient revenue to cover the municipality's expenditures.

May 15
Treasurer: *3rd Quarterly Reconciliation of Cash (due 45 days after end of quarter)*

DOR/BLA: *Commissioner Determines and Certifies Telephone and Telegraph Company Valuations*

Deputy Commissioner

Early in March 1997, Joseph J. Chessey, Jr. joined the Division of Local Services (DLS) as its new Deputy Commissioner. Immediately prior to his arrival, he was serving his fifth term as mayor of the City of Chicopee, the only mayor of the city to have served that many terms. Before being elected mayor, he was a member of the board of alderman for four years, two of which were as its president. The former mayor comes to DLS ready for action after his many years of first hand experience in municipal management.

Currently, Deputy Commissioner Chessey is working on matters of concern to local officials. He is involved in planning school district reviews (Executive Order 393), overseeing property recertification and tax rate setting procedures for FY98, analyzing the effects of utility deregulation on municipalities and developing technology to enable local officials to send and receive data electronically.

Joe Chessey has lived in Chicopee all his life and he and his wife have two teenage children. Before his government service Joe ran a successful small business in his hometown and was active in local business associations. In addition to his official duties, he continues as an assistant scout master for the Boy Scouts of America. ■

9M 4/97 D697BO4

Data Bank Highlight

Appropriations and Revenues Report

Budgeting season is underway for cities and towns. The Appropriations and Revenue Report is a five-year summary of Tax Recapitulation Sheet data summarizing appropriations and revenues and tax levy. This report is useful for trend analysis in your community. The first part of the report shows all appropriations, deficits raised, state assessments and overlay. The second part of the report shows available revenues: state aid, local receipts, free cash and other funds. Part three shows the net amount that was raised from the property tax levy. ■

To obtain Municipal Data Bank information contact: John Sanguinet at (617) 626-2355 for printed reports and data files; Burt Lewis at (617) 626-2358 for the On-Line Access System; or use the World Wide Web address below.

City & Town

City & Town is published 11 times a year by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS World Wide Web site at **http://www.state.ma.us/dls** or by writing to PO Box 9655, Boston, MA 02114-9655.

Marilyn H. Browne, Editor

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CITY & TOWN

GOVERNMENT DOCUMENTS COLLECTION

Mitchell Adams, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

A Publication of the Massachusetts Department of Revenue's Division of Local Services

AUG 26 1997

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Bulk Sale of Receivables

Written by Harry M. Grossman

Chapter 375 of the Acts of 1996 amended M.G.L. Ch.60, the local tax collection provisions, by adding a new Section 2C. It authorizes cities and towns, through their treasurers and collectors, to assign delinquent tax receivables at public sale or auction. Accounts not yet in tax title would be assigned by the collector; tax titles would be assigned by the treasurer. Before utilizing this mechanism it is critical that there be extensive analysis in consultation with the executive and other members of the municipal finance team. While the use of this tool might well result in accelerated cash flow, there would likely be a concomitant loss of the interest income (i.e., 14 percent on a pre-tax title obligation, 16 percent thereafter) which would ordinarily continue to accrue to the municipality on an overdue tax claim.

Notice Requirements

Before a delinquent tax claim may be assigned, certain notice requirements must be met. In the case of residential properties, the notice, to be published in a local newspaper, must precede any assignment by at least six months. It must specify not only the names of the assessed owners, but the addresses of the relevant parcels as well. In the case of commercial and industrial properties, the published notice must precede the actual assignment by a period of at least three months. At the expiration of the mandated notice period, receivables other than those specifically excluded may be sold to the highest qualified bidder at a public sale or auction.

Bundling Receivables

Which receivables may be assigned? In conducting a sale of outstanding receivables, a collector must bundle the accounts by class (e.g., all delinquent residential accounts, all delinquent commercial accounts). A treasurer, on the other hand, is obliged to bundle and offer for sale in a single transaction all tax title properties in a given class. By way of example, all delinquent residential accounts then in tax title would have to be offered for sale at one time.

The only receivables which *must* be excluded from the bundle at the time of public sale or auction are those which are subject to a payment agreement with which the taxpayer is in compliance. (Such delinquent accounts may not be assigned under any circumstances.) On the other hand, receivables relating to parcels which may be subject to a Chapter 21E lien (on account of oil or other hazardous material), as well as those which are a part of a bankrupt estate, *may* be excluded from the bundle being offered up for sale.

Permissible Discount

May the receivables be discounted or sold for less than the amount due the city or town at the time of sale? If specified in the request for bids or notice of sale or auction, the receivables may be discounted by up to 25 percent of the *interest component only.* There may be no discount of the tax itself, nor of any amount including betterments, water, sewer or utility charges, which have been added to and collected as part of the tax.

Reporting and Recording

Within 30 days of the date of the receivables' sale, the collector or treasurer who made the assignment must submit to the Bureau of Accounts a detailed report of the assignment on a prescribed form. In addition to this reporting requirement, recording requirements may apply as well. Thus, in the case of an assignment by the collector (i.e., receivables not yet in tax title), the assignee or purchaser must record at the Registry of Deeds a copy of the instrument of assignment together with a list identifying the parcels that will be taken or sold and their owners before the assignee can make any tax takings. In the event that tax claims on registered land are sold, the instrument of assignment must be registered together with a list of parcels, owners and certificate of title numbers. The recording or registration must occur prior to the date of any tax taking by the assignee. In the case of an assignment by the treasurer, the assignee or purchaser must record or register the appropriate documentation within 10 business days of the date of assignment.

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LEGAL

in Our Opinion

Q: *A taxpayer paid $12,000 for a solar heating system for his/her home. Could he/she receive an exemption on the real estate taxes due to the installation of the solar heating system?*

A: Yes. M.G.L. Ch.59 Sec.5 Cl.45 provides an exemption from local property taxes for any solar or wind powered system or device which is utilized as a primary or auxiliary power system for the purpose of heating or otherwise supplying the energy needs of property taxable under M.G.L. Ch.59. The exemption is allowed for a period of 20 years from the date of the installation of the system. The taxpayer should file an application for exemption when the system is first installed.

In a letter ruling (LR 81-107), the Commissioner of Revenue wrote that those portions of the addition to a domicile, the *sole* purpose of which is the transmission or use of solar energy, will be exempt from local property taxes. Components that serve a *dual* purpose, such as those that have a significant structural function, will not be exempt under M.G.L. Ch.59 Sec.5 Cl.45. Specifically, the value of the thermal storage rods and storage box and the duct work, damper and fan system will be exempted. The value of the insulating materials and the windows, floors, gravel base and other structural components of the addition, however, will be included in the taxable value of the parcel.

In the case presented to the Department, the assessors granted a $7,000 exemption and not a total exemption of the $12,000 installation cost. If dissatisfied by the amount of the exemption, the taxpayer may file an abatement application with the board of assessors. The burden of proof, however, is on the taxpayer to show which components are utilized exclusively for solar heat purposes.

Q: *May a town appropriate money for an anniversary celebration to coincide with the millennium?*

A: Yes. M.G.L. Ch.44 Sec.53I allows a city or town to appropriate money each year during the five years preceding the 200th, 250th, 300th and 350th anniversary of its settlement or incorporation. Under the terms of this statute, a municipality may establish a special fund to deposit appropriated funds and revenues derived from the sale of commemorative items or events. All amounts in this special fund, together with accrued interest, may be spent in the year of the celebration and in the year preceding or succeeding the celebration. Subsequently, any unexpended balance would be transferred to the general fund.

In our view, M.G.L. Ch.44 Sec.53I does not limit appropriations merely to 50th year celebrations. Rather, we believe that a city or town may appropriate money for noteworthy celebrations but may not establish a *special fund* for that purpose in the absence of special legislation.

Q: *Is a town required to pay a regional school district assessment even if it is in excess of its minimum contribution under Education Reform?*

A: Yes. M.G.L. Ch.70 Sec.6 obligates member communities of a regional school district to pay a minimum contribution toward the district's net school spending notwithstanding whatever would be the assessments under the district agreement. The Education Reform Act can supersede the regional school district agreement only if a member community's minimum required contribution exceeds its assessment under the regional agreement. A member community, however, could owe more under the regional agreement than it owes under the act. The Legislature therefore has established a floor under a city or town's obligation to fund the district but does not establish a ceiling on assessments.

M.G.L. Ch.70 Sec.6 states in pertinent part that a "district may choose to spend additional amounts; such decisions shall be made and such amounts charged to members according to the district's required agreement." If the approved regional school district budget results in the total amount of assessments being greater than the sum of the members' minimum required contributions, then the excess amount must be allocated to the members in accordance with the regional agreement. These assessments on the member communities are legally binding obligations under M.G.L. Ch.71 Sec.16B as well as the regional school district agreement. ■

Compiled by James Crowley

Data Bank Highlight

State Aid Trend Analysis

Two Data Bank reports are available that provide historical and comparative information on state aid. The first, "State Aid Trend Analysis," looks at a community's estimated receipts by program for a five-year period. "Net State Aid" shows total receipts, total assessments, and the net amount of aid for each fiscal year back to FY81. In addition, the Data Bank produces reports comparing a community with similar communities over a five-year period.

To obtain Municipal Data Bank information contact: John Sanguinet at (617) 626-2355 for printed reports and data files; Burt Lewis at (617) 626-2358 for the On-Line Access System; or use http://www.state.ma.us/dls on the World Wide Web.

Focus on Municipal Finance

Municipal Revenue Sources

Massachusetts municipalities have four major sources of revenue: property tax levy, state aid, local receipts and all other revenues. Over the past 15 years, communities have consistently relied most heavily on property taxes and state aid. However, local receipts have played an increasingly important role in the overall mix of municipal revenue sources. The next few paragraphs describe each revenue source and then discuss changes in reliance on each source during the past 15 years.

Property Tax Levy

The property tax levy is the source of revenue raised through real and personal property taxes. Overall it accounts for slightly over half of local revenues (51.5 percent). The amount of revenue raised is limited by Proposition 2½ which went into effect in FY82. This legislation restricts the maximum annual increase of the levy limit to 2½ percent over the previous year's certified levy limit. There are two ways a community may raise its authorized levy limit more than 2½ percent in one year: new growth and referenda. New growth is generated by an improvement to a property or an increase in a property's value independent of market inflation. Certified new growth directly increases the levy limit of a community. There are three types of referenda which can increase the levy limit: overrides, capital outlay exclusions, and debt exclusions. With a successful override referendum a community can increase its levy limit permanently as long as it does not exceed 2½ percent of the full and fair cash value of the property in the community. This limit is called the levy ceiling. Capital outlay and debt exclusion referenda allow a community to increase its levy limit temporarily. Unlike an override, an exclusion can temporarily bring a levy limit above the levy ceiling.

State Aid

In FY97 state aid accounts for as much as 63 percent to as little as 1 percent of the total revenue of municipalities. The overall state average for FY97 is 25.6 percent. Every year the Department of Revenue sends each city and town a Cherry Sheet. This document lists the estimated amount of state aid the municipality is scheduled to receive during the next fiscal year. While there are 19 separate line items, about 85 percent of the aid is accounted for by three programs: Chapter 70 aid, Lottery aid and Additional Assistance.

Chapter 70 aid, the largest single program, is education aid designed to ensure both equitable and adequate funding of public schools. The amount of aid is based on an assessment of communities' educational needs and their ability to raise enough revenue to meet these needs, with Chapter 70 aid bridging the gap between needs and financial ability.

Lottery aid is a general purpose financial assistance program. The distribution formula is equalizing. This means that municipalities with lower property values and large populations receive proportionately more aid than those with greater property values and smaller populations.

Additional Assistance is another general purpose financial assistance program. It has been level funded since FY92.

These three major types of local aid distributions are intended to support expenses budgeted for the current fiscal year. In addition, local aid includes reimbursements for all or part of costs incurred in prior years, and offset items that must be spent for specific programs. Reimbursements include funds for school transportation; school construction; tuition of state wards; highway maintenance; property tax exemptions for veterans, blind persons, surviving spouses, and elderly; reimbursement for certain types of state-owned land exempt from property

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Table 1

Local Revenue Components, FY82–FY97
State Totals, Massachusetts Cities and Towns

	Property Tax Levy	Pct of Total	State Aid	Pct of Total	Local Receipts	Pct of Total	All Other	Pct of Total	Total Revenues
FY82	3,035,539,705	54.5	1,386,565,427	24.9	717,990,289	12.9	434,291,415	7.8	5,574,386,836
FY83	2,959,071,151	51.0	1,564,872,670	26.9	797,903,902	13.7	485,301,314	8.4	5,807,149,037
FY84	2,994,902,334	49.8	1,672,868,509	27.8	875,163,471	14.6	468,819,084	7.8	6,011,753,398
FY85	3,126,007,886	48.4	1,868,191,161	28.9	1,010,045,960	15.6	452,034,123	7.0	6,456,279,130
FY86	3,309,379,108	47.6	2,028,539,402	29.2	1,098,291,807	15.8	513,956,419	7.4	6,950,166,736
FY87	3,536,290,776	46.2	2,380,796,816	31.1	1,234,186,851	16.1	507,524,161	6.6	7,658,798,604
FY88	3,804,782,026	46.0	2,582,268,195	31.2	1,357,345,020	16.4	524,420,147	6.3	8,268,815,388
FY89	4,122,104,932	46.2	2,693,778,428	30.2	1,551,799,001	17.4	562,753,952	6.3	8,930,436,313
FY90	4,464,634,291	47.8	2,464,643,603	26.4	1,832,061,154	19.6	577,706,585	6.2	9,339,045,633
FY91	4,775,254,916	49.7	2,342,154,458	24.4	1,917,673,486	20.0	568,675,283	5.9	9,603,758,143
FY92	5,017,705,745	52.4	2,057,507,189	21.5	2,045,127,785	21.3	464,175,959	4.8	9,584,516,678
FY93	5,249,675,623	52.9	2,191,009,153	22.1	2,035,899,378	20.5	452,635,275	4.6	9,929,219,429
FY94	5,464,414,052	52.6	2,349,182,814	22.6	2,074,559,533	20.0	505,777,669	4.9	10,393,934,068
FY95	5,701,066,408	52.1	2,551,580,915	23.3	2,193,878,042	20.1	489,846,880	4.5	10,936,372,223
FY96	5,919,239,677	51.4	2,794,675,858	24.3	2,303,539,257	20.0	551,927,473	4.8	11,521,699,110
FY97*	6,126,124,010	51.5	3,044,449,356	25.6	2,098,121,778	17.7	617,911,617	5.2	11,886,606,759

**345 communities have finalized their FY97 data, for the remaining six, FY96 is used as an estimate*
State aid does not reflect aid to regional school districts.
Source: Tax Rate Recapitulation Sheets, budgeted revenues Actual revenues will differ slightly

Local Revenue Components FY97

Municipality	Tax levy	State aid	Local receipts	All other	Total receipts
Abington	12,204,753	6,435,372	3,283,689	1,648,568	23,572,382
Acton	29,777,946	2,486,595	4,864,716	2,315,827	39,445,084
Acushnet	5,886,578	4,979,319	1,876,196	688,982	13,431,075
Adams	5,313,102	1,642,940	950,532	1,151,689	9,058,263
Agawam	22,898,876	11,372,208	7,174,498	1,950,311	43,395,893
Alford	628,552	24,506	69,117	60,246	782,421
Amesbury	14,250,077	8,865,803	5,747,502	1,186,444	30,049,826
Amherst	18,539,253	10,481,770	11,129,926	2,453,572	42,604,521
Andover	52,665,286	5,752,761	13,784,620	2,584,967	74,787,634
Arlington	48,086,578	13,217,017	12,711,452	746,546	74,761,593
Ashburnham					
Ashby	2,275,201	346,021	270,850	580,728	3,472,800
Ashfield	1,741,266	221,395	292,821	120,350	2,375,832
Ashland	15,479,715	2,502,510	4,665,506	1,043,276	23,691,007
Athol	4,635,137	1,657,834	1,984,179	694,107	8,971,257
Attleboro	27,218,256	23,419,471	15,392,400	1,736,229	67,766,356
Auburn	13,985,050	4,410,792	3,864,043	1,895,165	24,155,050
Avon	6,585,720	1,271,227	940,100	240,278	9,037,325
Ayer	7,877,022	4,576,383	2,396,000	2,421,000	17,270,405
Barnstable	55,296,829	6,630,205	24,534,315	6,882,386	93,343,735
Barre	2,807,421	657,139	1,482,452	851,951	5,798,963
Becket	2,019,602	138,061	226,000	372,460	2,756,123
Bedford	23,358,621	2,746,301	4,810,000	5,166,952	36,081,874
Belchertown	9,375,306	8,213,486	1,850,000	2,817,751	22,256,543
Bellingham	14,541,623	7,525,249	3,642,000	2,350,646	28,059,518
Belmont	34,116,954	6,583,476	10,974,291	3,459,617	55,134,338
Berkley	3,169,325	3,300,185	575,981	325,947	7,371,438
Berlin	3,272,149	539,598	325,650	310,962	4,448,359
Bernardston	1,604,185	218,548	232,940	125,676	2,181,349
Beverly	39,412,332	10,991,753	15,228,435	2,840,650	68,473,170
Billerica	43,124,008	16,695,636	9,475,000	3,307,350	72,601,994
Blackstone	5,067,947	991,891	1,221,490	657,177	7,938,505
Blandford					
Bolton	6,192,339	174,187	516,500	574,222	7,457,248
Boston	748,950,514	441,281,107	210,237,454	23,441,924	1,423,910,999
Bourne	18,110,840	4,861,392	3,872,149	1,192,827	28,037,208
Boxborough	6,722,887	406,845	885,100	370,519	8,385,351
Boxford	10,244,206	1,548,636	1,224,435	1,441,396	14,458,673
Boylston	4,005,254	570,660	832,000	150,382	5,558,296
Braintree	38,118,244	10,050,526	16,336,585	4,425,116	68,930,471
Brewster	14,136,568	921,445	3,925,000	3,583,043	22,566,056
Bridgewater	14,444,731	3,460,236	4,916,949	1,833,226	24,655,142
Brimfield	2,491,327	1,441,130	707,150	884,209	5,523,816
Brockton	61,076,003	85,958,436	32,141,076	11,820,842	190,996,357
Brookfield	1,921,815	2,043,558	535,431	372,463	4,873,267
Brookline	84,086,279	11,773,311	28,751,977	4,272,997	128,884,564
Buckland	1,688,915	225,625	298,601	194,766	2,407,907
Burlington	38,809,575	5,368,840	9,680,958	3,705,956	57,565,329
Cambridge	148,070,000	37,337,739	68,932,036	25,858,597	280,198,372
Canton	26,176,997	3,914,470	9,881,721	1,971,741	41,944,929
Carlisle	8,804,165	1,165,034	793,000	572,102	11,334,301
Carver	9,736,424	8,509,179	1,690,900	1,150,135	21,086,638
Charlemont	1,255,802	196,936	155,000	96,511	1,704,249
Charlton	6,155,469	959,704	1,300,016	704,280	9,119,469
Chatham	14,256,381	398,175	4,450,398	1,809,639	20,914,593
Chelmsford	39,562,776	10,440,527	5,439,073	2,909,551	58,351,927
Chelsea	17,523,199	43,005,261	15,187,927	684,000	76,400,387
Cheshire	1,633,280	467,034	428,500	419,089	2,947,903
Chester	1,010,634	169,686	154,075	86,306	1,420,701
Chesterfield	1,146,723	168,939	88,876	146,414	1,550,952
Chicopee	35,387,812	36,914,578	16,506,073	168,197	88,976,660
Chilmark	2,565,114	7,417	591,768	189,352	3,353,651
Clarksburg	810,387	1,215,641	206,420		2,232,448
Clinton	8,102,695	8,446,757	2,654,795	160,000	19,364,247
Cohasset	12,600,594	1,480,808	2,832,638	1,572,577	18,486,617
Colrain	1,456,892	228,782	142,000	233,672	2,061,346
Concord	29,197,224	2,875,838	3,080,960	2,132,330	37,286,352
Conway	1,965,385	825,134	137,133	345,466	3,273,118
Cummington	850,350	122,572	114,208	207,150	1,294,280
Dalton	5,318,014	1,059,972	1,174,308	1,215,894	8,768,188
Danvers	31,588,938	5,195,203	14,318,817	2,370,113	53,473,071
Dartmouth	22,433,510	7,808,136	8,577,166	2,494,577	41,313,389
Dedham	29,541,415	5,955,660	7,413,417	1,931,022	44,841,514
Deerfield	4,460,483	1,447,681	1,165,500	1,848,675	8,922,339
Dennis	16,922,326	495,574	6,297,400	1,728,201	25,443,501
Dighton	4,890,407	566,609	975,500	517,724	6,950,240
Douglas	4,976,568	3,982,907	1,121,243	723,462	10,804,180
Dover	8,360,844	329,537	1,360,800	2,496,170	12,547,351
Dracut	18,743,971	13,475,378	4,603,503	2,112,557	38,935,409
Dudley	3,993,109	1,143,041	2,566,358	490,462	8,192,970
Dunstable	2,836,003	187,111	227,500	389,198	3,639,812
Duxbury	22,583,151	2,784,100	5,487,460	2,416,016	33,270,727
E Bridgewater	9,952,209	7,646,456	2,097,146	2,234,553	21,930,364
E Brookfield	924,859	243,507	383,525	533,168	2,085,059
E Longmeadow	16,528,748	4,086,003	3,269,153	2,368,317	26,252,221
Eastham	9,365,147	631,084	1,236,200	723,472	11,955,903
Easthampton	9,356,575	8,937,295	3,867,073	797,397	22,958,340
Easton	20,023,626	6,481,883	5,097,541	1,736,130	33,339,180
Edgartown	9,591,320	790,014	2,843,549	1,043,100	14,267,983
Egremont	1,653,127	100,187	288,500	213,721	2,255,535
Erving	2,537,548	272,973	628,256	531,274	3,970,050
Essex	3,902,359	565,509	1,164,392	314,409	5,946,669
Everett	43,725,429	16,022,835	11,055,799	2,808,373	73,612,436
Fairhaven	12,188,132	7,213,178	4,826,145	1,734,715	25,962,169
Fall River	37,029,219	87,441,680	19,668,934	6,206,694	150,346,527
Falmouth	39,781,354	5,436,225	10,318,800	4,822,807	60,359,186
Fitchburg	21,047,511	30,666,264	15,364,901	1,237,516	68,316,192
Florida	1,086,874	442,956	117,750	62,251	1,709,831
Foxborough	16,477,711	5,972,768	5,972,298	1,960,568	30,383,345
Framingham	79,596,724	16,814,360	29,209,607	8,577,254	134,197,945
Franklin	25,038,272	12,706,039	8,320,900	4,680,692	50,745,903
Freetown	6,579,259	1,622,951	1,312,624	2,481,727	11,996,561
Gardner	10,022,822	13,264,917	7,848,074	1,473,480	32,609,293
Gay Head	1,197,899	6,137	244,293	29,332	1,477,661
Georgetown	6,830,613	2,574,822	1,805,773	1,498,218	12,709,426
Gill	946,009	190,652	85,000	224,911	1,446,572
Gloucester	32,906,831	8,323,051	12,790,493	3,472,873	57,493,248
Goshen	976,487	83,569	108,970	152,258	1,321,284
Gosnold	232,299	15,156	238,820	149,078	635,353
Grafton	10,307,586	4,579,088	1,632,564	2,730,876	19,250,114
Granby	4,020,688	2,705,671	967,361	293,833	7,987,553
Granville	1,331,579	869,349	260,831	98,494	2,560,253
Gt Barrington	8,118,340	729,029	2,156,617	2,708,425	13,712,411
Greenfield	14,320,387	11,236,919	4,516,458	1,290,127	31,363,891
Groton	10,219,289	574,604	2,442,047	508,105	13,744,045
Groveland	4,955,043	840,085	1,205,700	508,400	7,509,228
Hadley	4,608,062	1,268,393	1,627,170	649,359	8,152,984
Halifax	5,326,570	2,829,739	1,902,489	1,099,910	11,158,708
Hamilton	9,243,348	598,500	1,814,687	793,712	12,450,247
Hampden	4,714,871	489,205	485,775	161,054	5,850,905
Hancock	502,653	167,387	195,675	150,600	1,016,315
Hanover	15,259,275	4,603,618	3,946,008	2,568,977	26,377,878
Hanson	7,726,655	1,364,235	1,781,048	830,146	11,702,084
Hardwick	1,789,131	400,078	570,527	338,656	3,098,392
Harvard	7,049,989	3,268,473	892,530	245,768	11,456,760
Harwich	18,549,041	1,974,385	4,202,360	3,035,471	27,761,257
Hatfield	3,076,431	1,006,633	899,168	1,116,128	6,098,360
Haverhill	39,666,806	36,440,273	55,568,273	4,464,257	136,139,609
Hawley	332,081	98,133	29,000	51,200	510,414
Heath	820,518	82,203	255,684	126,833	1,285,238
Hingham	30,813,843	3,976,788	6,037,175	3,672,469	44,500,275
Hinsdale	1,451,678	238,600	237,813	420,980	2,349,071
Holbrook	10,280,906	5,004,328	2,520,898	854,837	18,660,969
Holden	13,572,401	1,641,912	4,359,595	1,191,147	20,765,055
Holland	2,415,089	513,362	263,747	265,221	3,457,419
Holliston	15,454,210	5,268,235	2,879,944	1,047,958	24,650,347
Holyoke	28,100,711	59,650,446	9,874,250	3,782,504	101,407,911
Hopedale	5,342,567	3,335,555	1,451,018	433,430	10,562,570
Hopkinton	15,583,443	2,844,542	3,964,832	1,498,075	23,890,892
Hubbardston	2,333,010	272,502	601,736	287,357	3,494,605
Hudson	17,970,142	6,503,724	5,758,065	2,272,011	32,503,942
Hull	12,173,274	6,105,107	3,249,024	1,424,792	22,952,197
Huntington	1,440,005	253,721	358,300	115,720	2,167,746
Ipswich	13,053,908	3,475,264	3,555,800	1,917,083	22,002,055
Kingston	10,557,363	2,513,340	2,653,560	3,375,246	19,099,509
Lakeville	7,160,927	2,260,412	3,571,326	479,405	13,472,070
Lancaster	4,325,532	738,196	1,217,408	499,369	6,780,505
Lanesborough	3,627,821	838,130	484,453	226,789	5,177,193
Lawrence	27,588,441	92,548,728	19,020,296	5,988,271	145,145,736
Lee	5,806,957	1,890,953	2,119,657	626,306	10,443,873
Leicester	5,926,640	7,238,500	1,077,000	1,964,203	16,206,343
Lenox	5,960,319	1,967,076	3,531,013	1,761,145	13,219,553
Leominster	27,749,363	23,993,031	8,149,584	9,437,730	69,329,707
Leverett	2,146,133	297,750	195,000	10,534	2,649,417
Lexington	54,713,901	6,074,250	19,231,043	2,743,228	82,762,422
Leyden	692,832	72,277	69,000	24,272	858,381
Lincoln	11,276,192	2,164,687	1,617,536	2,032,440	17,090,855
Littleton	10,316,162	1,425,133	2,116,898	1,908,930	15,767,123
Longmeadow	21,308,795	4,287,319	4,563,183	2,244,818	32,404,115
Lowell	60,572,982	108,974,041	28,582,000	8,035,457	206,164,480
Ludlow	14,296,456	9,735,134	5,193,866	1,945,188	31,170,644
Lunenburg	9,082,657	3,422,843	1,167,400	408,608	14,081,508
Lynn	48,303,731	82,952,875	16,769,776	3,375,834	151,402,216
Lynnfield	14,002,551	2,380,919	2,264,000	1,505,519	20,152,989
Malden	37,296,941	27,919,236	18,274,375	600,000	84,090,552
Manchester	9,379,148	672,011	2,259,000	1,131,612	13,441,771
Mansfield	22,005,663	7,271,321	7,630,355	4,291,628	41,198,967
Marblehead	25,957,573	2,585,307	4,441,935	7,325,647	40,310,462
Marion	7,209,204	379,774	1,413,499	907,758	9,910,235
Marlborough	42,280,927	8,912,143	13,840,667	662,142	65,695,879
Marshfield	24,108,439	9,703,467	8,207,618	2,239,691	44,259,215
Mashpee	17,950,699	2,207,969	2,293,982	3,857,580	26,310,230
Mattapoisett	8,266,899	636,128	1,859,200	665,720	11,427,947
Maynard	11,751,101	3,497,277	2,345,443	441,330	18,035,151
Medfield	15,311,299	3,342,719	3,866,355	643,066	23,163,439
Medford	48,224,653	23,301,444	17,726,333	1,122,740	90,375,170
Medway	12,534,442	4,807,661	3,173,047	533,500	21,048,650
Melrose	26,697,423	10,466,220	7,806,977	1,565,468	46,536,087
Mendon	3,985,965	290,204	751,820	165,398	5,193,386
Merrimac	4,307,603	1,010,521	1,633,359	417,251	7,368,734

Municipality	Tax levy	State aid	Local receipts	All other	Total receipts
Methuen	32,697,842	20,980,642	13,788,936	531,749	67,999,169
Middleborough	14,219,954	14,063,524	5,122,536	2,501,636	35,907,650
Middlefield	496,196	68,486	51,450	12,893	629,025
Middleton	7,460,074	787,003	1,263,500	1,019,013	10,529,590
Milford	25,165,919	12,962,970	6,092,531	2,107,782	46,329,202
Millbury	7,367,206	5,212,720	1,619,208	3,106,241	17,305,375
Millis	7,926,862	2,590,750	1,940,352	1,414,994	13,872,958
Millville	1,901,778	275,974	234,000	368,655	2,780,407
Milton	30,631,211	5,688,875	9,430,236	2,610,719	48,361,041
Monroe	221,307	64,925	31,575	140,031	457,838
Monson	5,673,966	6,206,393	1,647,044	680,740	14,208,143
Montague	6,528,290	1,019,706	1,885,388	470,469	9,903,853
Monterey	1,412,447	100,206	139,400	104,510	1,756,563
Montgomery	671,969	81,856	80,000	143,285	977,110
Mt Washington	190,740	92,809	31,080	21,450	336,079
Nahant	4,046,046	652,584	2,130,400	194,701	7,023,731
Nantucket	22,934,851	3,378,364	16,347,283	4,170,829	46,831,328
Natick	39,211,030	7,725,665	12,234,625	3,563,332	62,734,652
Needham	43,331,156	5,231,582	13,435,951	2,558,000	64,556,689
New Ashford	190,889	53,409	51,547	81,586	377,431
New Bedford	50,930,773	91,171,641	35,771,163	1,123,650	178,997,227
New Braintree	737,030	128,624	88,200	243,404	1,197,258
New Marlboro	1,918,839	117,082	150,000	185,286	2,371,207
New Salem	700,599	139,743	342,216	45,240	1,227,798
Newbury	6,404,398	1,290,834	949,758	386,903	9,031,893
Newburyport	19,149,967	5,517,837	5,943,031	178,542	30,789,377
Newton	134,082,167	13,202,742	38,723,369	13,044,698	199,052,976
Norfolk	9,429,926	2,862,438	2,139,968	1,201,712	15,634,045
N Adams	7,517,852	15,190,086	4,565,020	1,905,854	29,178,812
N Andover	25,675,454	4,734,655	11,227,764	380,000	42,017,873
N Attleboroug	20,378,168	11,428,312	8,553,648	3,669,149	44,029,277
N Brookfield	2,313,954	3,619,948	1,401,084	421,504	7,756,489
N Reading	16,439,295	4,171,090	5,819,675	2,238,020	28,668,080
Northampton	21,305,441	12,787,897	13,710,147	1,686,279	49,489,764
Northborough	15,314,436	2,668,736	3,146,900	931,910	22,061,982
Northbridge	7,480,304	9,756,921	2,254,173	1,044,701	20,536,099
Northfield	2,519,784	448,928	467,700	72,849	3,509,261
Norton	12,135,741	8,072,482	3,361,225	4,720,113	28,289,561
Norwell	14,703,153	2,519,562	2,777,234	1,460,465	21,460,414
Norwood	29,008,705	7,920,173	40,493,328	4,795,310	82,217,516
Oak Bluffs	8,353,897	858,227	2,191,978	2,093,504	13,497,606
Oakham	1,098,769	201,610	220,000	306,966	1,827,345
Orange	4,368,927	5,752,087	1,771,069	749,402	12,641,485
Orleans	11,139,009	460,787	3,408,261	1,696,841	16,704,897
Otis	2,057,259	89,223	116,350	97,569	2,360,401
Oxford	8,320,087	8,082,320	856,740	1,145,982	18,405,129
Palmer	8,687,281	9,837,927	1,897,617	1,072,708	21,495,533
Paxton	3,742,570	383,225	720,000	414,686	5,260,481
Peabody	39,538,604	17,216,574	23,997,500	8,527,839	89,280,517
Pelham	1,476,193	178,111	271,160	137,923	2,063,387
Pembroke	14,456,274	4,551,521	3,300,808	3,164,107	25,472,710
Pepperell	7,792,773	962,432	2,518,181	1,150,131	12,423,517
Peru	664,116	164,591	67,000	113,666	1,009,373
Petersham	882,553	264,912	319,500	348,959	1,815,924
Phillipston	889,452	148,357	169,098	110,158	1,317,065
Pittsfield	34,982,430	30,031,677	11,950,000	1,820,244	78,784,351
Plainfield	700,954	87,610	50,989	223,183	1,062,736
Plainville	5,863,133	1,522,386	2,115,400	762,117	10,263,036
Plymouth	63,082,579	18,927,236	13,001,326	7,074,229	102,085,370
Plympton	2,738,432	659,408	328,500	283,518	4,009,858
Princeton	3,719,323	733,528	522,729	139,796	5,115,376
Provincetown	7,084,665	574,469	5,680,888	2,792,252	16,132,274
Quincy	81,109,774	33,105,462	36,660,000	10,576,167	161,451,403
Randolph	24,339,668	12,159,484	7,791,680	2,882,380	47,173,212
Raynham	9,123,917	1,352,052	2,508,360	288,869	13,273,198
Reading	26,623,550	7,334,566	11,005,403	2,151,005	47,114,524
Rehoboth	7,796,186	823,577	1,227,500	360,963	10,208,226
Revere	33,757,705	26,381,721	12,348,000	2,115,507	74,602,933
Richmond	2,216,022	393,448	256,000	476,170	3,341,640
Rochester	3,787,719	1,405,494	2,402,300	935,010	8,530,523
Rockland	13,051,282	9,961,636	2,866,405	4,994,242	30,873,565
Rockport	10,488,092	2,114,251	3,612,000	1,930,873	18,145,216
Rowe	1,659,091	41,170	53,050	886,160	2,639,471
Rowley	4,736,054	896,054	1,186,915	597,222	7,416,245
Royalston					
Russell	1,141,831	174,089	942,951	92,841	2,351,712
Rutland	3,650,567	606,065	1,161,436	1,416,375	6,834,443
Salem	41,814,532	17,779,771	13,758,041	1,474,801	74,827,145
Salisbury	6,736,295	608,381	2,889,455	651,084	10,885,215
Sandisfield	1,058,067	99,783	90,000	96,610	1,344,460
Sandwich	23,013,182	5,864,952	2,632,000	2,180,482	33,690,616
Saugus	27,912,629	6,661,187	8,437,510	2,097,753	45,109,079
Savoy	462,324	465,729	59,000	54,507	1,041,560
Scituate	21,506,557	4,543,385	5,456,097	1,979,799	33,485,838
Seekonk	15,094,525	3,705,262	2,775,442	1,280,052	22,855,281
Sharon	21,809,094	4,789,299	3,672,906	2,698,735	32,970,035
Sheffield	3,848,515	256,403	577,928	12,102	4,694,948
Shelburne	1,556,887	238,948	278,792	342,932	2,417,560
Sherborn	9,062,150	409,675	659,976	911,212	11,043,012
Shirley	3,301,449	3,398,608	720,737	75,400	7,496,194
Shrewsbury	25,166,059	6,604,128	7,310,900	4,275,652	43,356,739
Shutesbury	2,246,197	645,516	255,793	166,149	3,313,655
Somerset	24,910,851	2,798,984	4,668,530	1,790,070	34,168,435
Somerville	46,489,330	48,468,285	19,764,000	5,997,200	120,718,815
South Hadley	11,471,850	6,927,931	3,978,605	1,719,831	24,098,217
Southampton	3,896,418	1,936,040	1,232,031	518,196	7,582,685
Southborough	10,725,281	885,486	2,505,094	1,343,161	15,459,022
Southbridge	8,195,003	14,755,053	5,072,366	1,109,494	29,131,916
Southwick	6,310,023	909,308	1,434,500	1,239,279	9,893,110
Spencer	5,021,067	1,683,038	2,176,082	749,477	9,629,664
Springfield	95,158,490	175,735,383	49,926,288	412,000	321,232,161
Sterling	6,577,869	556,244	1,524,000	997,389	9,655,502
Stockbridge	3,647,490	112,737	737,294	1,181,690	5,679,211
Stoneham	22,764,027	6,081,110	9,328,979	2,583,307	40,757,423
Stoughton	26,750,658	9,476,805	10,344,830	1,979,344	48,551,637
Stow	8,292,599	338,583	808,900	625,427	10,065,509
Sturbridge	8,128,695	1,560,824	2,568,628	1,334,833	13,592,980
Sudbury	28,670,586	3,220,018	3,547,966	2,056,989	37,495,559
Sunderland	2,354,559	1,214,685	432,500	229,729	4,231,473
Sutton	6,411,890	4,050,780	1,012,390	918,271	12,393,331
Swampscott	19,970,648	2,589,945	5,226,536	697,719	28,484,848
Swansea	12,448,418	5,842,636	1,538,397	448,985	20,278,436
Taunton	32,923,308	32,360,146	20,638,457	12,210,326	98,132,237
Templeton	2,417,297	998,822	2,587,020	946,212	6,949,351
Tewksbury	28,656,940	10,420,617	8,115,000	3,267,132	50,459,689
Tisbury	8,734,065	419,605	1,592,000	2,180,141	12,925,811
Tolland	414,587	59,814	39,700	27,082	541,183
Topsfield	7,393,191	984,839	1,445,049	856,141	10,679,220
Townsend	7,172,148	914,415	1,024,197	585,569	9,696,329
Truro	4,157,697	329,345	777,781	918,193	6,183,016
Tyngsborough	9,773,777	4,869,408	1,698,896	1,472,015	17,814,096
Tyringham	692,952	69,729	61,200	36,000	859,881
Upton	4,555,493	456,764	1,353,223	491,851	6,857,331
Uxbridge	8,348,493	5,881,000	2,176,458	1,134,650	17,540,601
Wakefield	28,256,084	6,816,728	10,850,513	1,152,606	47,075,931
Wales	1,260,267	775,379	214,193	42,695	2,292,534
Walpole	23,267,770	6,619,103	7,769,818	1,836,885	39,493,576
Waltham	71,459,722	16,224,204	24,000,062	3,859,531	115,543,519
Ware	5,948,983	6,115,575	1,515,931	1,082,307	14,662,796
Wareham					
Warren	2,891,549	560,386	941,778	787,432	5,181,145
Warwick	629,582	188,474	67,634	104,116	989,806
Washington	434,475	174,437	97,950	64,620	771,482
Watertown	35,765,373	9,924,256	12,939,447	1,623,756	60,252,832
Wayland	25,016,778	3,159,730	3,377,616	2,733,828	34,287,952
Webster	8,686,454	8,412,947	6,026,838	1,961,961	25,088,200
Wellesley	40,738,606	4,351,502	7,212,556	2,225,535	54,528,199
Wellfleet	6,040,333	373,838	1,012,887	1,665,492	9,092,550
Wendell	853,205	233,349	201,000	10,100	1,297,654
Wenham	4,621,896	443,400	841,585	713,854	6,620,735
W Boylston	6,818,791	1,897,015	1,485,796	1,503,150	11,704,752
W Bridgewater	7,999,917	2,079,220	2,124,695	1,504,349	13,708,181
W Brookfield	2,367,682	357,102	610,000	1,425,843	4,760,627
W Newbury	4,758,553	474,179	903,777	807,770	6,944,279
W Springfield	28,338,123	11,322,952	7,613,621	1,693,643	48,968,339
W Stockbridge	2,276,992	112,766	308,000	81,500	2,779,258
W Tisbury	5,682,349	695,756	369,618	314,946	7,062,669
Westborough	23,623,756	2,564,713	8,921,037	4,617,733	39,727,240
Westfield	28,691,990	26,983,176	12,930,073	5,495,436	74,100,675
Westford	22,562,765	5,537,871	6,551,589	1,632,796	36,285,021
Westhampton	1,503,511	582,742	168,994	405,708	2,660,955
Westminster	5,689,785	565,181	1,194,575	1,763,981	9,213,522
Weston	25,600,237	2,095,517	4,874,550	2,360,595	34,930,899
Westport					
Westwood	24,547,793	2,342,242	5,887,301	1,504,598	34,281,934
Weymouth	43,584,443	23,639,811	19,160,234	1,188,761	87,573,249
Whately	1,854,778	414,119	265,528	244,609	2,779,034
Whitman	10,054,853	1,679,401	3,404,095	1,867,978	17,006,328
Wilbraham	13,590,341	1,019,027	3,199,870	789,884	18,599,122
Williamsburg	2,059,033	623,080	573,037	136,701	3,391,851
Williamstown	6,576,325	1,559,258	3,171,419	816,845	12,123,847
Wilmington	27,597,233	4,902,247	4,622,920	1,710,777	38,833,177
Winchendon	4,425,508	9,933,405	2,324,499	1,502,256	18,185,668
Winchester	32,083,339	3,520,381	7,270,500	2,075,498	44,949,718
Windsor					
Winthrop	10,638,108	8,141,960	6,185,493	2,286,444	27,252,005
Woburn	40,266,557	10,272,640	16,760,000	2,872,396	70,171,593
Worcester	119,935,361	146,742,993	59,383,236	8,339,745	334,401,335
Worthington	1,068,309	132,541	171,000	310,718	1,682,568
Wrentham	10,113,056	3,581,728	1,628,000	2,316,909	17,639,693
Yarmouth	25,135,390	1,094,099	16,496,096	3,063,685	45,789,270
State Totals	**6,126,124,010**	**3,044,449,356**	**2,098,121,778**	**617,911,617**	**11,886,606,759**

Notes: 345 communities have finalized their data for 1997.
State aid to cities and towns does not include aid to regional school districts.

Source: Tax rate recapitulation sheets, budgeted revenues.

Table 2

Municipal Revenue Sources
➡ *continued from page three*

taxes; police career incentives; and urban renewal projects. Offset items include funds for local public libraries, racial equality and school lunch.

Local Receipts

Local receipts vary greatly from municipality to municipality depending on the types of services and fees offered and collected. The most common local receipts are motor vehicle excise; fines, licenses and permits; charges for water, sewer, and trash services; departmental revenues; and investment income. Depending on the accounting options chosen at the local level, local receipts are either paid into the community's general fund or reserved for a specific departmental use.

All Other Revenues

This category includes all revenues which do not fit into one of the other three categories. Usually the largest portion of these revenues is composed of available funds which are balances from legally allowable accounts. These include: free cash, overlay surplus, and funds designated for future expenses including stabilization funds and other reserves, funds from a municipal electric utility, trust funds, gifts and bequests.

More detailed information is shown in *Tables 1* and *2*. *Table 1* shows the amount of revenue contributed by each components over the past 15 years. *Table 2* shows the FY97 figures for Massachusetts municipalities. These figures do not include state aid for regional school districts

Findings

Over the past 15 years there has been a shift in reliance on different revenue components. Proposition 2½, which

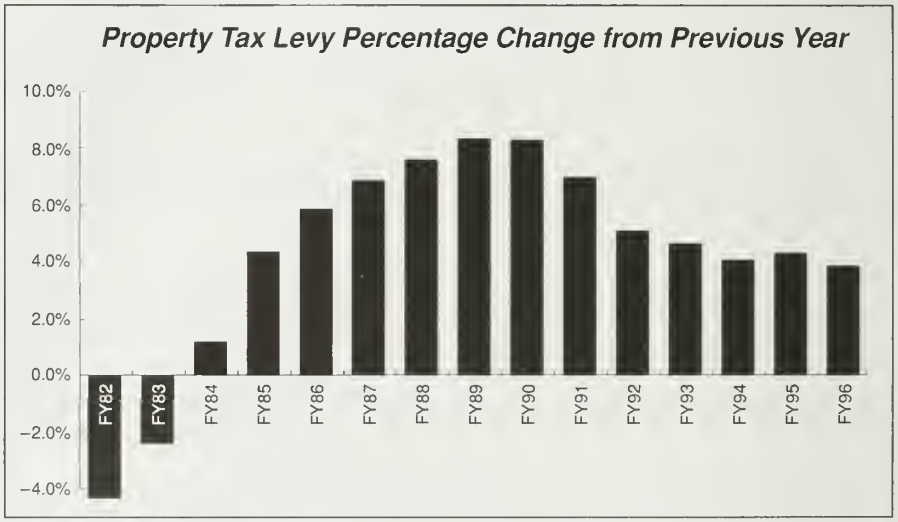

Figure 1

went into effect in FY82, restricted cities' and towns' ability to rely on the property tax to fund expanding demands for services. Despite the limitations on the property tax, it has maintained its role as the single major revenue source for local governments. In FY82 it accounted for 54.5 percent of total local revenue. Between FY87 and FY89 it decreased to around 46 percent and has gradually increased back up to 51.5 percent. Between FY87 and FY91 the combination of the allowed 2½ percent annual increase, new growth and overrides allowed property taxes to increase at more than 6.0 percent per year from the preceding year. Between FY92 and FY97 the property tax levy has continued to grow faster than 2.5 percent annually. However, the rate of growth has decreased to 3.5 percent in FY97. The property tax growth rate for the last 15 years is shown in *Figure 1*.

State aid consistently increased from FY82 through FY89. As a percentage of local revenue it grew from 24.9 percent to a peak of 31.2 percent in FY88. With the downturn in the economy, state aid started decreasing reaching a low point in FY92 of 21.5 percent. With the implementation of education reform in FY93, state aid again started to increase at a faster rate than other sources of local revenue, reaching 25.6 percent of local revenues in FY97.

Since the passage of Proposition 2½ local receipts have become more important as a source of local revenue. Between FY82 and FY91 they grew from 12.9 percent to 20.0 percent, and have remained at about that level since, with a slight drop to 17.7 percent in FY97. Most of the growth in reliance on local receipts as a source of revenue was accomplished by imposing new fees for services and increasing existing fees.

Finally, since FY92 all other revenues have actually decreased as an overall percentage contributor and have shown very slow growth in actual dollars, currently accounting for about 5 percent of all local revenues. ■

Written by Stan Nyberg

DLS UPDATE

"Corporations Book" Search

Early in June, every local board of assessors will receive a copy of the just-published *Massachusetts Domestic and Foreign Corporations Subject to an Excise, 1997 Supplement.* This year the Division of Local Services (DLS) has developed a new method for municipalities to determine the corporations in their communities that are subject to the local personal property tax.

DLS compiles and publishes a list of for-profit corporations that do business in Massachusetts, commonly called the "corporations book." A complete list of corporations is published every five years and supplemental lists are published yearly. The 1997 corporations book supplement is divided into four section: new corporations, dissolved/withdrawn corporations, new insurance companies, and dissolved/withdrawn insurance companies. Traditionally, the corporations are listed in alphabetical order without being divided into categories by community. The structure of the corporations book often makes it difficult for assessors to locate the listings relevant to their communities.

DLS is creating a data base search program called the *Corp Book Search* that will search and categorize the data published in each of the sections of the 1997 corporations book supplement. Access to the World Wide Web is needed to use the program (see the Web address on page 8). It is designed to search by any keyword and to indicate if the corporations listed are designated manufacturing corporations or have had their manufacturing status revoked. This information is significant to assessors because corporations that have been classified by the Commissioner of Revenue as manufacturing corporations are exempt from certain personal property taxes (see the corporations book for more information).

The *Corp Book Search* program will be accessible to Internet users soon on the DLS website. For more information about the contents of the corporations book contact Melinda Ordway at (617) 626-2361. If you have an inquiry about the *Corp Book Search* program call Burt Lewis at (617) 626-2358.

Additional copies of the 1997 corporations book supplement may be obtained at the State House Book Store (617) 727-2834 for $4.00 each plus postage. ■

Bulk Sale of Receivables
➡ *continued from page one*

Purchaser's Remedies

Upon executing the documents of assignment, the purchaser will succeed to the rights and remedies of a municipality to receive and enforce payment, including the right to proceed with a tax taking in its own name and, if necessary, to institute a foreclosure. In similar fashion, the purchaser will be entitled to add those costs and charges that could have been imposed by the collector or treasurer under the provisions of M.G.L. Ch. 60, the municipal collection law. Costs or charges not *expressly* permitted under that statute may not be added to and become a part of the taxpayer's obligation. Consequently, amounts designated as service or administrative charges, legal costs or attorney's fees *may not* be collected from the delinquent taxpayer or property owner. (Under some circumstances attorney's fees may be authorized by the Land Court pursuant to M.G.L. Ch.60, Sec.65.) Moreover, no purchaser may enter into an agreement with the taxpayer which would require him/her to pay an amount of tax or interest in excess of that otherwise permitted under M.G.L. Ch. 59 relating to the assessment of local taxes.

Recourse

Under appropriate circumstances, the purchaser may seek recourse against the assigning municipality on account of receivables which are based upon invalid assessments; for which the lien against the property has been lost due to an error on the part of the municipality; which are actually less than the amount paid for them due to an error or abatement by the seller; or which do not conform to the terms of the sale. As a general matter, there will be a maximum of a three-year time limit upon the municipality's obligation to reimburse the purchaser or to otherwise provide substitute receivables. So too, the municipality's obligation to provide these reimbursements and adjustments will, as a rule, be limited to no more than 10 percent of the purchase price. Where, however, the amount of a claim has been misstated, or has been abated subsequent to the assignment date, it *will not* count toward the 10 percent limitation.

Further details regarding the bulk sale of receivables together with reporting requirements and provisions mandated for inclusion in all assignment agreements are to be found in Property Tax Bureau Informational Guideline Release (IGR) No. 97-201. ■

Municipal Fiscal Calendar

June 1
Clerk: *Certification of Appropriations*
This is done after town meeting so the Accountant may set up accounts for each department in the municipality.

Assessors: *Determine Valuation of Other Municipal or District Land*
In certain communities where land is owned by another community or district, the value of the land is determined by the Assessors in the year following a revaluation year, for in-lieu-of-tax payments.

June 15
DOR: *Commissioner Determines and Certifies Pipeline Valuations*

Assessors Deadline for Appealing Commissioner's Telephone & Telegraph Valuations

Assessors: *Make Preliminary Quarterly Tax Commitment*
The preliminary tax commitment must be based on the prior year's net tax on the property and may not exceed, with limited exceptions, 50 percent of that amount. This should be done early enough for the preliminary quarterly bills to be mailed by July 1.

June 20
Assessors: *Final Date to Make Omitted or Revised Assessments*
As required by M.G.L. Ch. 59, Sections 75 and 76, if a property is inadvertently excluded or mistakenly under-assessed on the warrant for property taxes, it is the Assessors' role to correct the mistake and assess the property correctly. Such an assessment may not be made later than June 20 of the taxable year or 90 days after the date the tax bills are mailed, whichever is later.

June 30
State Treasurer: *Notification of Quarterly Local Aid Payments Before June 30*

Assessors: *Overlay Surplus Closes to Surplus Revenue*
Each year, any balance in the overlay reserve accounts in excess of the remaining amount of the warrant to be collected or abated in that year, is certified by the Assessors. The transfer from overlay reserves to the overlay surplus is done on the Assessors' initiative or within 10 days of a written request by the chief executive officer. Once in overlay surplus, these funds may be appropriated for any lawful purpose. Any balance in the overlay surplus at the end of the fiscal year shall be closed to surplus revenue and, eventually, free cash.

Assessors: *Physical Inventory of all Parcels for Communities that Accepted M.G.L. Ch. 59, Sec. 2A(a)*

Assessors: *Submit Annual Report of Omitted or Revised Assessments*

Assessors: *Last Day to Submit Requests for Current Fiscal Year Reimbursements of Exemptions Granted Under The Various Clauses Of Ch. 59, Sec. 5*
If an exemption is granted to a residential property owner, the property tax is lowered, and the town collects fewer tax revenues than anticipated. These exemptions are partially reimbursed by the state as indicated under "Payment for Loss of Taxes," section B of the Cherry Sheet.

It is the responsibility of the Assessors to submit all exemptions to DOR so that the town may be reimbursed for statutory exemptions. If the Assessors fail to submit a request, the town's loss of tax revenues will not be offset by exemption reimbursements from the state. These reimbursements may not be filed retroactively for any year.

July 1
Collector: *Mail Preliminary Quarterly Tax Bill*

July 15
Accountant: *Certification Date for Free Cash: Anytime After Books Are Closed*
Two weeks after the close of a fiscal year, all accounts are closed out and the resulting balance sheet is submitted to DOR for certification. Free cash is certified any time after this date.

Assessors: *Deadline for Appealing Commissioner's Pipeline Valuations to ATB*

July 31
Treasurer: *File IRS Form 5500 (Report of Employee Benefit Plan)*
This is required if you provide a Fringe Benefit Plan giving Pre-Tax Insurancve and/or Cafeteria Plan Benefits to employees and if that plan annually ends on December 31. ■

City & Town

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Marilyn H. Browne, Editor

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Mitchell Adams, Commissioner
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Cutting Red Tape — Executive Order 384

Written by Bruce Stanford

The State House is not the only place in Massachusetts where law-making occurs. Law-making also takes place within the many agencies of state government, as agency personnel exercise the rule-making authority delegated to them by the State Legislature.

The most formal of all agency rules are *regulations*. To invest a rule with this status, an agency must promulgate it under the provisions of M.G.L. Ch.30A, the Administrative Procedure Act.

Regulations possess an authority analogous to that of statutes enacted by the State Legislature. As the Supreme Judicial Court declared in *Borden, Inc. v. Commissioner of Public Health*, 388 Mass. 707 (1983), a court reviewing a regulation "must apply all rational presumptions in favor of the validity of the administrative action and not declare it void unless its provisions cannot by any reasonable construction be interpreted in harmony with the legislative mandate."

Throughout the 1970s and 1980s, particularly, state agencies prodigiously exercised their authority to promulgate regulations. They expanded and detailed agency rules, striving to include all possible particulars concerning every regulated activity. These efforts resulted in the 26-volume Code of Massachusetts Regulations, a massive publication which, in early 1996, contained over 1,700 regulations occupying over 20,000 pages.

On February 7, 1996, Governor Weld, concluding that this burgeoning of the Code threatened its effectiveness by becoming too detailed and complex, issued Executive Order 384, calling for an unprecedented analysis of this system of regulatory law. He instructed all agencies to comprehensively review their regulations, judging each on the basis of its effectiveness, taking into account cost/benefit, readability, less restrictive alternatives and overlap with others. Further, he directed that by December 31, 1996, "only those regulations ... mandated by law or essential to the health, safety, environment or welfare of the Commonwealth's citizens" were to be retained or modified.

Non-essential regulations have been eliminated.

A Project Review Team, under the auspices of the Executive Office of Administration and Finance, managed the undertaking, assembling a network of key contacts at each of the 132 agencies involved with the regulation initiative. The Project Team consisted of personnel from a broad cross-section of state agencies, including the Department of Revenue, the Department of Insurance, the Department of Medical Assistance and the Department of Procurement and General Services. Working with the Project Team, agency personnel reviewed all 90 years worth of existing regulations and made decisions about rescinding, modifying or retaining them. In cooperation with the Project Team, each agency developed a Regulation Review Work Plan, which set out the activities, timetables and impacts of its proposed modifications and rescissions.

July 10, 1996 constituted a milestone in the regulation initiative. It was the appointed date for submission of all agency workplans. Upon receipt of these plans, the Project Team reviewed them, approving some as submitted and negotiating with agency personnel to amend others. By late summer, the Project Team had approved a workplan for every agency subject to the Executive Order.

Ultimately, the workplans called for a rescission of 22 percent of the existing regulations and a modification of 49 percent of them.

The Project Team achieved remarkable results. By December 31, 1996, 70 percent of the workplan proposals had been fully carried out. Only the remaining 30 percent were carried over into 1997 for completion.

The Team's outstanding accomplishments were, in large part, a product of the systematized analysis of every regulation. In order to perpetuate these important achievements, the Project Team encapsulated the substance of the re-

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LEGAL

in Our Opinion

Q: *A community recently passed a debt exclusion for the construction of a new school. Could the assessors separate out on the real estate tax bill the amount of additional taxes assessed due to the successful Proposition 2½ debt exclusion vote?*

A: No. M.G.L. Ch.60 Secs.3 & 3A describe the contents of tax bills which must be in a form approved by the Commissioner of Revenue. Due to a recent statutory amendment, real estate tax bills beginning in fiscal year 1998 must state the last date abatement applications may be filed with the assessors. (See *Table 1*)

The real estate tax bill should include the parcel's total assessed value, the tax owed, the payment due date, the penalty provisions if there is late payment, the abatement due date and the abatement/exemption rights of the taxpayer.

M.G.L. Ch.60 Sec.3A also provides that the tax collector, with the approval of the selectmen or mayor, may include in the envelope with the tax bill "nonpolitical municipal informational material" provided there is no increase in postage. The city or town therefore could include with the tax bill a mailing consisting of a graph or mere statement which indicates the portion of the total property tax revenue attributable to the debt exclusion.

Q: *How should property owned by a housing cooperative corporation be assessed?*

A: As a general matter, the property owned by a housing cooperative will constitute a single parcel of real estate for purposes of assessment. Even if one or more structures exist on a certain parcel, the assessors should assess the land with improvements to the cooperative housing corporation. It is the obligation of the corporation to collect from the tenants the respective share of the taxes and remit the total amount billed to the tax collector.

Unlike a housing cooperative, each unit in a condominium and its interest in the common areas is considered an individual parcel of real estate for the assessment and collection of taxes pursuant to M.G.L Ch.183 Sec.14. The holders of interests in a cooperative, however, are merely stockholders in the corporation which owns the property. Cooperative units then are not separately assessed.

Q: *Town meeting by two-thirds vote authorized borrowing for the construction of a new school. Can a subsequent town meeting rescind the borrowing?*

A: As a general matter, a town meeting by majority vote can rescind or reduce a borrowing authorization. This action is permissible only to the extent no third party rights have vested, i.e., provided that money has not been spent, borrowed or committed through valid contracts. *Adams v. Townsend Schoolhouse Committee*, 245 Mass. 543.

Q: *A town wished to enter into a contract with a private company for property revaluation with payment to be made over a three-year period. What are the bid requirements and financing options for the town?*

A: Communities must comply with relevant provisions of the Uniform Procurement Act (M.G.L. Ch.30B) since there is no exemption provision for revaluation services. As a further statutory provision, if the anticipated project costs exceed $10,000, a community must go out for sealed bids in accordance with M.G.L. Ch.30B Sec.5. Pursuant to M.G.L. Ch.30B Sec.12, a community can enter into a multi-year contract provided funds are available for the first fiscal year at the time of contracting. By this statute, payment and performance obligations for succeeding fiscal years will depend on the availability and appropriation of funds. Town meeting by majority vote must authorize any contract which is in excess of three years under M.G.L. Ch.30B Sec.12(b).

Rather than relying on an annual appropriation, a community can borrow pursuant to M.G.L. Ch.44 Sec.7(18) for the expert appraisal of taxable property or for the preparation of assessors' maps, including charges for aerial mapping in connection with the preparation of the

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New FY98 Tax Bill Application Deadlines

Deadlines are measured from the date the *actual* bills are mailed

Payment System	Abatements	Personal Exemptions & Deferrals	Residential Exemptions	Other Exemptions
Semi-Annual	November 1 or 30 days after bills mailed if later	December 15 or 3 months after bills mailed if later	3 months after bills mailed	November 1 or 30 days after bills mailed if later
Semi-Annual preliminary bills issued	May 1 or 30 days after bills mailed if later	3 months after bills mailed	3 months after bills mailed	May 1 or 30 days after bills mailed if later
Quarterly bills mailed on or before December 31	February 1	3 months after bills mailed	3 months after bills mailed	February 1
Quarterly bills mailed after December 31	May 1	3 months after bills mailed	3 months after bills mailed	May 1

Table 1 *Table created by Kathleen Colleary*

Focus on Municipal Finance

1996 Equalized Valuations

Every even numbered year, the Commissioner of Revenue is required to develop an estimate of the fair cash value of all taxable property in each city and town as of January 1 of that year (See M.G.L. Ch. 58, Secs. 9,10,10A, 10B, and 10C). This estimate is called the equalized valuation or EQV. The purpose of EQV is to present municipal property values in a comparable manner by adjusting for differences in local assessing practices and revaluation schedules. There are three major uses for these "equalized" values: the allocation of certain state aid distributions, the calculation of various state and county assessments to municipalities, and the determination of municipal debt limits.

Methodology for Calculating the Equalized Valuation (EQV)

Assessed values as of January 1, 1995 (FY96) served as the starting point for calculating the 1996 EQVs. For residential property, these values were compared to sale price data for the preceding year, January 1 through December 31, 1994. Only arms-length sales were included in this comparison. These are sales between a willing buyer and a willing seller without any unusual circumstances or conditions. Examples of non-arms-length sales include those between relatives, bank foreclosures, or other non-fair market sales.

As a result of this comparison between assessed value and actual sale price for properties which were sold, assessment sale ratios (assessed value ÷ market value) were determined for each city and town. The total assessed value was then divided by the assessment sales ratio to estimate the fair market value of the residential class.

Since there are few arms-length sales of commercial and industrial properties, the sales ratio sampling technique cannot be used as the sole estimate of fair market value for these property classes. Therefore, in addition to sales data, market appraisals, direct income capitalization information, and other sales and economic data were used to determine fair market value.

The 1996 EQV is the sum of the estimated fair market value for each property class plus an estimate of new growth during 1995. The Department of Revenue's Division of Local Services sent proposed 1996 EQVs to the cities and towns by June 1, 1996. Public hearings were held on the proposed values and communities were subsequently notified of any revisions by July 20. The municipalities then had until August 10 to appeal their values to the Appellate Tax Board. Final 1996 EQVs were sent to the legislature on January 28, 1997 and were accepted by it on May 12, 1997.

Uses of the EQV

Since EQVs provide uniform and comparable estimates of property values across the state, they are often used as an indicator of wealth in local aid formulas. For example, EQVs are used in some distribution formulas for state aid so that communities with lower property values receive proportionately more aid than those with higher property values. They are used in some assessment formulas so that communities with lower property values assume proportionately less of the cost than communities with higher property values. The 1996 EQVs will be used to calculate certain state distributions and assessments for FY98 and FY99.

The lottery aid program, the second largest state aid program, uses the current EQV and population to determine how the annual lottery aid increases are to be allocated among communities. For example, the 1996 EQVs will be used to allocate the $55.5 million statewide lottery aid increase proposed for FY98. It is important to note that the 1996 EQVs are not used to redistribute the entire lottery aid appropriation. Rather, in FY98, communities will receive the same amount distributed in FY97 plus their share of the additional aid to be distributed in FY98.

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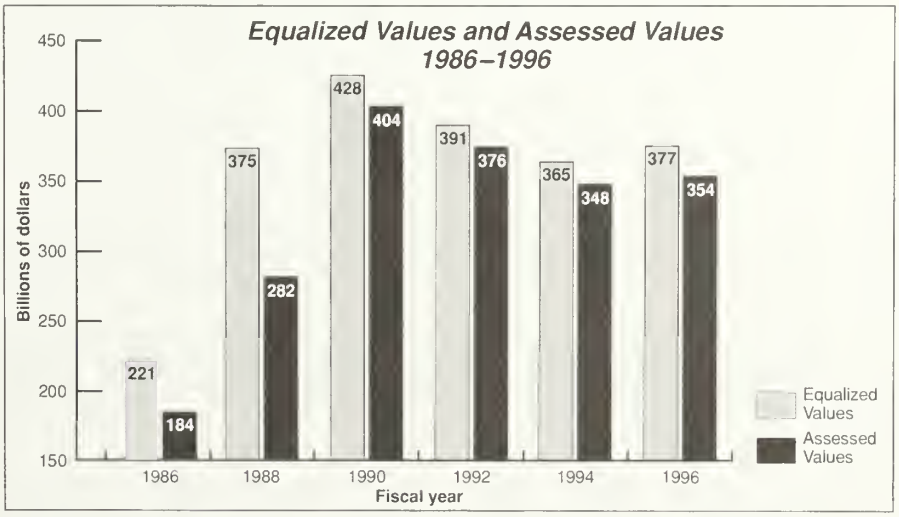


Figure 1

1996 Equalized Valuations

Municipality	1996 Equalized Value	1996 EQV Per Capita	Per Capita 1996 Rank	1994 EQV Per Capita	Per Capita 1994 Rank	Per Capita % Change
Abington	718,443,400	49,661	257	48,204	265	3.02%
Acton	1,666,438,600	90,710	78	83,691	84	8.39%
Acushnet	453,683,700	45,808	283	42,758	303	7.13%
Adams	310,627,800	34,240	334	34,484	337	–0.71%
Agawam	1,394,724,700	50,585	250	50,233	251	0.70%
Alford	87,499,300	217,120	14	215,874	16	0.58%
Amesbury	797,621,300	49,914	254	51,406	246	–2.90%
Amherst	1,046,631,600	29,499	346	28,628	349	3.04%
Andover	3,072,063,800	98,096	66	90,135	69	8.83%
Arlington	2,999,301,600	68,753	151	65,674	157	4.69%
Ashburnham	254,842,400	44,274	296	45,187	288	–2.02%
Ashby	129,782,200	43,318	303	41,638	311	4.03%
Ashfield	115,968,300	66,572	166	67,183	143	–0.91%
Ashland	903,469,400	70,102	141	64,436	165	8.79%
Athol	363,713,800	31,145	344	30,802	347	1.11%
Attleboro	1,698,474,700	43,704	300	43,388	300	0.73%
Auburn	875,955,700	57,530	212	59,755	191	–3.72%
Avon	406,242,600	90,760	77	83,632	85	8.52%
Ayer	550,418,300	77,447	112	68,231	134	13.51%
Barnstable	4,825,386,900	113,328	48	115,807	40	–2.14%
Barre	191,231,300	39,732	324	37,636	328	5.57%
Becket	207,417,500	128,751	37	134,566	33	–4.32%
Bedford	1,293,047,700	101,296	61	99,347	58	1.96%
Belchertown	583,085,000	49,734	255	49,713	256	0.04%
Bellingham	958,717,400	62,883	185	61,916	178	1.56%
Belmont	2,376,571,300	97,645	67	89,390	72	9.23%
Berkley	289,696,600	52,932	237	49,978	254	5.91%
Berlin	187,963,600	79,377	107	69,879	127	13.59%
Bernardston	104,335,900	51,754	243	55,740	215	–7.15%
Beverly	2,365,546,000	61,038	196	59,795	190	2.08%
Billerica	2,208,107,500	56,832	215	55,130	219	3.09%
Blackstone	339,983,500	40,149	319	40,119	322	0.07%
Blandford	83,610,000	69,156	148	65,696	156	5.27%
Bolton	376,737,100	104,853	56	99,122	59	5.78%
Boston	31,075,293,700	56,735	217	54,023	228	5.02%
Bourne	1,437,733,300	86,371	85	84,391	82	2.35%
Boxborough	402,723,400	95,864	71	89,551	71	7.05%
Boxford	757,512,100	106,512	54	97,276	61	9.49%
Boylston	265,089,100	74,568	123	69,471	130	7.34%
Braintree	2,449,092,000	72,463	132	69,911	126	3.65%
Brewster	1,129,552,100	122,219	42	119,493	39	2.28%
Bridgewater	997,392,300	43,288	306	41,225	315	5.00%
Brimfield	174,995,500	53,680	231	50,871	247	5.52%
Brockton	2,811,051,100	32,159	337	34,623	336	–7.12%
Brookfield	121,898,800	39,348	326	37,561	329	4.76%
Brookline	5,048,485,400	95,768	72	87,815	74	9.06%
Buckland	104,410,600	48,227	265	48,658	262	–0.89%
Burlington	2,048,425,400	88,374	82	86,580	77	2.07%
Cambridge	7,593,801,600	76,022	118	76,460	100	–0.57%
Canton	1,670,684,300	83,372	96	85,021	80	–1.94%
Carlisle	574,967,000	124,587	40	111,669	43	11.57%
Carver	490,285,400	43,838	299	41,841	310	4.77%
Charlemont	61,392,300	49,670	256	52,901	239	–6.11%
Charlton	531,720,300	45,688	286	45,380	286	0.68%
Chatham	1,628,155,200	259,715	11	251,761	11	3.16%
Chelmsford	2,129,612,700	63,349	181	61,897	180	2.35%
Chelsea	812,415,200	31,580	340	34,705	335	–9.00%
Cheshire	149,481,300	42,721	309	43,342	301	–1.43%
Chester	64,771,800	47,556	269	53,243	236	–10.68%
Chesterfield	62,050,000	59,663	201	66,089	155	–9.72%
Chicopee	2,009,630,800	36,523	330	38,862	327	–6.02%
Chilmark	830,061,200	1,073,818	1	1,052,562	1	2.02%
Clarksburg	59,068,900	34,726	333	34,386	338	0.99%
Clinton	510,779,700	39,765	323	39,977	323	–0.53%
Cohasset	856,628,200	114,171	47	108,078	46	5.64%
Colrain	94,018,600	51,744	244	52,767	241	–1.94%
Concord	2,269,975,300	129,248	36	110,865	44	16.58%
Conway	115,030,800	66,878	164	64,843	162	3.14%
Cummington	60,935,700	73,594	125	69,016	133	6.63%
Dalton	329,135,800	45,751	285	46,006	282	–0.55%
Danvers	2,103,970,900	85,635	88	83,937	83	2.02%
Dartmouth	2,048,446,800	73,505	126	70,275	125	4.60%
Dedham	1,683,887,500	71,515	135	72,869	115	–1.86%
Deerfield	341,103,300	66,131	171	59,431	194	11.27%
Dennis	2,132,188,600	152,900	29	156,949	27	–2.58%
Dighton	313,263,400	54,377	227	57,673	206	–5.71%
Douglas	328,223,700	50,418	252	47,842	268	5.38%
Dover	933,790,700	169,780	23	150,241	28	13.01%
Dracut	1,230,001,400	44,604	294	44,520	291	0.19%
Dudley	389,958,100	40,816	314	42,174	304	–3.22%
Dunstable	195,678,900	77,130	115	71,669	119	7.62%
Duxbury	1,408,233,000	96,746	69	87,498	76	10.57%
East Bridgewater	621,421,400	51,764	242	50,812	250	1.87%
East Brookfield	110,979,900	54,562	225	53,614	233	1.77%
East Longmeadow	961,818,500	67,992	158	66,782	149	1.81%
Eastham	862,680,900	185,963	22	187,821	20	–0.99%
Easthampton	654,489,600	42,192	310	42,151	305	0.10%
Easton	1,229,042,000	59,214	206	54,334	222	8.98%
Edgartown	1,226,925,600	370,672	6	377,215	6	–1.73%
Egremont	182,770,200	145,983	32	137,257	32	6.36%
Erving	143,781,100	108,678	51	114,489	41	–5.08%
Essex	319,590,500	89,899	80	85,706	78	4.89%
Everett	2,097,750,800	61,447	193	63,313	171	–2.95%
Fairhaven	868,082,800	53,325	235	53,893	230	–1.05%
Fall River	2,813,460,700	31,462	341	30,570	348	2.92%
Falmouth	3,618,170,500	124,984	39	125,147	37	–0.13%
Fitchburg	1,178,184,300	32,080	338	35,355	333	–9.26%
Florida	55,857,400	73,400	127	66,404	152	10.54%
Foxborough	1,083,159,400	69,737	143	67,750	140	2.93%
Framingham	3,955,109,800	62,417	188	58,295	204	7.07%
Franklin	1,760,276,700	68,180	156	60,131	189	13.39%
Freetown	478,349,400	56,502	218	56,391	213	0.20%
Gardner	603,909,500	29,705	345	32,145	344	–7.59%
Gay Head	198,164,900	896,674	3	828,043	3	8.29%
Georgetown	469,697,100	65,145	173	60,933	186	6.91%
Gill	69,805,300	43,304	304	46,574	275	–7.02%
Gloucester	2,091,570,400	71,880	134	69,291	131	3.74%
Goshen	63,117,400	73,392	128	73,385	114	0.01%
Gosnold	93,475,000	973,698	2	974,187	2	–0.05%
Grafton	686,121,500	51,211	245	49,737	255	2.96%
Granby	292,461,000	48,565	263	49,625	257	–2.14%
Granville	97,011,200	62,266	189	58,325	202	6.76%
Great Barrington	537,847,200	69,832	142	69,597	129	0.34%
Greenfield	760,475,000	42,188	311	41,514	312	1.62%
Groton	605,556,200	89,492	146	64,790	163	7.28%
Groveland	318,689,700	57,525	213	52,881	240	8.78%
Hadley	365,919,000	84,566	91	80,651	90	4.85%
Halifax	333,267,900	48,056	266	43,462	298	10.57%
Hamilton	621,002,900	82,013	100	73,854	111	11.05%
Hampden	283,779,600	58,924	207	56,246	214	4.76%
Hancock	89,283,500	130,151	35	128,751	35	1.09%
Hanover	1,013,626,800	80,741	104	73,725	112	9.52%
Hanson	490,380,200	51,017	247	50,198	252	1.63%
Hardwick	120,459,700	49,107	260	48,984	260	0.25%
Harvard	524,248,300	46,745	279	42,018	308	11.25%
Harwich	1,626,185,400	146,768	30	148,171	29	–0.95%
Hatfield	264,923,000	83,440	95	69,028	132	20.88%
Haverhill	2,120,295,100	40,034	320	41,409	313	–3.32%
Hawley	22,418,700	81,820	101	76,150	102	7.45%
Heath	46,358,400	63,943	179	50,817	249	25.83%
Hingham	2,021,730,100	100,824	62	93,360	64	7.99%
Hinsdale	112,261,800	55,493	224	55,338	218	0.28%
Holbrook	510,091,200	45,884	282	48,185	266	–4.78%
Holden	850,242,800	55,699	221	56,475	212	–1.37%
Holland	147,859,100	67,856	159	67,876	139	–0.03%
Holliston	925,422,900	69,098	149	66,550	151	3.83%
Holyoke	1,121,974,300	27,792	348	33,437	340	–16.88%
Hopedale	273,138,400	47,643	268	47,376	271	0.56%
Hopkinton	1,036,439,600	96,827	68	85,365	79	13.43%
Hubbardston	179,958,800	53,495	234	48,338	263	10.67%
Hudson	983,249,800	56,463	219	54,854	220	2.93%
Hull	619,736,500	57,666	211	58,485	198	–1.40%
Huntington	95,752,400	44,765	292	39,299	325	13.91%
Ipswich	991,783,700	79,847	106	74,699	109	6.89%
Kingston	695,879,100	67,851	160	63,410	170	7.00%
Lakeville	605,001,300	68,625	152	67,967	138	0.97%
Lancaster	318,554,000	48,850	261	46,057	281	6.06%
Lanesborough	235,853,100	78,775	108	71,261	120	10.54%
Lawrence	1,124,106,800	17,810	351	20,872	351	–14.67%
Lee	387,403,200	66,817	165	66,559	150	0.39%
Leicester	395,974,000	39,186	328	41,175	316	–4.83%
Lenox	459,095,100	89,162	81	88,267	73	1.01%
Leominster	1,707,632,600	44,656	293	45,051	289	–0.88%
Leverett	114,412,400	63,002	184	61,986	175	1.64%
Lexington	3,689,184,800	126,741	38	112,410	42	12.75%
Leyden	38,597,300	52,159	241	53,977	229	–3.37%
Lincoln	837,001,800	101,467	60	94,716	63	7.13%
Littleton	628,787,500	83,504	94	80,013	92	4.36%
Longmeadow	1,192,398,500	76,637	116	75,567	106	1.42%
Lowell	2,644,624,100	27,533	349	32,538	342	–15.38%
Ludlow	922,732,200	47,124	274	46,375	277	1.62%
Lunenburg	496,698,400	52,461	239	54,243	224	–3.29%
Lynn	2,451,325,700	31,302	342	33,372	341	–6.20%
Lynnfield	1,091,309,900	96,662	70	91,807	66	5.29%
Malden	1,998,192,800	38,573	329	42,006	309	–8.17%
Manchester	854,321,900	156,555	28	143,029	30	9.46%
Mansfield	1,391,011,300	72,283	133	64,541	164	12.00%
Marblehead	2,249,236,900	108,423	52	99,779	56	8.66%
Marion	602,319,400	123,934	41	126,978	36	–2.40%
Marlborough	2,155,718,500	64,779	175	63,165	172	2.56%
Marshfield	1,651,966,800	71,412	136	68,192	136	4.72%
Mashpee	1,298,760,900	136,138	34	141,739	31	–3.95%
Mattapoisett	620,738,100	105,910	55	100,157	54	5.74%
Maynard	594,055,900	57,017	214	55,683	216	2.40%
Medfield	1,039,177,400	90,631	79	78,029	97	16.15%
Medford	2,850,402,200	51,201	246	53,223	237	–3.80%
Medway	727,465,900	64,767	176	59,020	196	9.74%
Melrose	1,580,721,000	58,064	209	58,166	205	–0.18%
Mendon	304,447,700	66,415	168	61,479	181	8.03%
Merrimac	272,194,900	46,906	276	45,509	285	3.07%

Municipality	1996 Equalized Value	1996 EQV Per Capita	Per Capita 1996 Rank	1994 EQV Per Capita	Per Capita 1994 Rank	Per Capita % Change
Methuen	1,922,748,900	46,938	275	47,918	267	–2.05%
Middleborough	918,457,000	49,345	258	47,373	272	4.16%
Middlefield	31,068,600	70,771	137	72,196	117	–1.97%
Middleton	553,789,900	102,878	58	97,162	62	5.88%
Milford	1,362,827,200	54,061	229	53,783	231	0.52%
Millbury	581,586,800	47,180	272	46,273	278	1.96%
Millis	474,942,900	59,614	203	56,676	211	5.18%
Millville	113,180,900	44,091	297	42,047	306	4.86%
Milton	1,811,114,100	70,231	140	66,851	146	5.06%
Monroe	17,687,700	215,704	15	172,216	22	25.25%
Monson	376,479,200	45,678	287	45,511	284	0.37%
Montague	395,147,400	46,796	278	47,370	273	–1.21%
Monterey	164,715,400	200,140	20	201,898	18	–0.87%
Montgomery	48,768,600	59,474	205	63,772	167	–6.74%
Mount Washington	33,443,200	200,259	19	223,436	14	–10.37%
Nahant	314,619,700	84,033	92	79,955	94	5.10%
Nantucket	3,514,157,300	517,244	4	491,205	4	5.30%
Natick	2,655,370,000	86,166	86	76,180	101	13.11%
Needham	3,131,771,600	111,530	49	105,457	50	5.76%
New Ashford	18,787,800	107,359	53	106,423	47	0.88%
New Bedford	2,950,935,400	31,186	343	31,520	346	–1.06%
New Braintree	45,860,800	47,230	271	49,412	258	–4.42%
New Marlborough	198,830,500	163,243	25	182,497	21	–10.55%
New Salem	51,154,400	65,921	172	65,551	158	0.56%
Newbury	501,494,200	78,555	109	74,023	110	6.12%
Newburyport	1,183,744,500	70,302	139	67,483	141	4.18%
Newton	8,906,905,500	104,348	57	98,399	60	6.05%
Norfolk	620,850,500	59,628	202	54,077	226	10.26%
North Adams	446,712,800	28,848	347	28,256	350	2.10%
North Andover	1,911,398,400	77,914	110	70,807	123	10.04%
North Attleborough	1,413,941,100	53,609	232	51,823	244	3.45%
North Brookfield	191,043,800	39,768	322	40,764	320	–2.44%
North Reading	1,043,098,800	81,181	103	72,869	116	11.41%
Northampton	1,470,426,100	50,917	248	52,027	243	–2.13%
Northborough	964,534,800	75,638	119	70,584	124	7.16%
Northbridge	538,657,200	40,786	315	39,131	326	4.23%
Northfield	164,051,700	52,665	238	52,067	242	1.15%
Norton	762,852,900	48,358	264	48,276	264	0.17%
Norwell	946,606,700	98,697	64	93,304	65	5.78%
Norwood	2,162,907,600	75,608	120	70,827	122	6.75%
Oak Bluffs	702,097,000	234,345	12	229,279	13	2.21%
Oakham	88,793,000	54,208	228	53,713	232	0.92%
Orange	239,221,200	31,719	339	32,275	343	–1.72%
Orleans	1,186,890,900	202,403	18	200,030	19	1.19%
Otis	274,263,800	230,280	13	243,152	12	–5.29%
Oxford	529,357,600	39,807	321	39,859	324	–0.13%
Palmer	546,694,100	44,851	291	46,171	279	–2.86%
Paxton	238,677,600	56,760	216	58,365	200	–2.75%
Peabody	3,330,340,100	69,392	147	60,398	187	14.89%
Pelham	81,502,400	60,914	197	54,672	221	11.42%
Pembroke	963,754,300	60,152	199	58,447	199	2.92%
Pepperell	533,839,800	49,202	259	47,608	269	3.35%
Peru	37,080,000	42,966	307	43,619	296	–1.50%
Petersham	79,390,700	67,337	162	77,282	98	–12.87%
Phillipston	75,684,800	45,759	284	54,034	227	–15.31%
Pittsfield	1,984,639,200	42,738	308	43,526	297	–1.81%
Plainfield	46,114,400	77,765	111	91,315	67	–14.84%
Plainville	415,746,300	55,693	222	57,102	209	–2.47%
Plymouth	3,289,205,600	67,131	163	68,200	135	–1.57%
Plympton	161,003,800	61,829	191	61,395	182	0.71%
Princeton	234,529,700	68,496	153	64,371	166	6.41%
Provincetown	588,630,600	164,101	24	163,105	25	0.61%
Quincy	4,498,810,500	53,532	233	53,483	235	0.09%
Randolph	1,468,588,200	48,748	262	49,372	259	–1.26%
Raynham	706,935,600	67,695	161	60,192	188	12.47%
Reading	1,675,702,200	73,325	129	66,839	148	9.70%
Rehoboth	636,203,300	68,853	150	64,856	161	6.16%
Revere	1,695,498,900	40,520	318	43,021	302	–5.81%
Richmond	172,806,900	102,011	59	103,490	52	–1.43%
Rochester	289,548,900	66,213	170	66,881	145	–1.00%
Rockland	791,190,200	47,368	270	48,867	261	–3.07%
Rockport	772,507,100	98,358	65	90,755	68	8.38%
Rowe	149,715,600	378,070	5	394,241	5	–4.10%
Rowley	335,021,400	64,901	174	61,346	183	5.79%
Royalston	60,049,100	50,461	251	54,250	223	–6.98%
Russell	76,402,800	46,193	281	46,752	274	–1.20%
Rutland	248,675,200	45,662	288	43,857	295	4.12%
Salem	2,083,065,400	55,553	223	57,366	208	–3.16%
Salisbury	525,853,300	74,674	122	75,846	104	–1.55%
Sandisfield	124,267,200	162,441	26	171,105	23	–5.06%
Sandwich	1,486,417,600	83,718	93	83,604	86	0.14%
Saugus	1,886,327,300	72,694	131	66,183	154	9.84%
Savoy	33,713,200	46,630	280	44,399	292	5.02%
Scituate	1,498,124,400	86,984	84	81,433	87	6.82%
Seekonk	1,018,081,900	77,327	114	78,204	96	–1.12%
Sharon	1,280,919,700	77,434	113	71,863	118	7.75%
Sheffield	287,818,300	91,082	76	89,669	70	1.58%
Shelburne	114,117,800	60,476	198	59,667	193	1.36%
Sherborn	607,849,500	146,258	31	128,860	34	13.50%
Shirley	248,609,400	34,809	331	33,510	339	3.88%
Shrewsbury	1,838,100,900	70,423	138	66,321	153	6.19%
Shutesbury	109,450,000	64,572	178	61,111	184	5.66%
Somerset	1,402,452,300	80,407	105	80,067	91	0.42%
Somerville	2,805,809,000	40,699	316	41,358	314	–1.59%
South Hadley	798,598,100	46,869	277	46,502	276	0.79%
Southampton	284,198,400	57,929	210	54,204	225	6.87%
Southborough	836,931,400	115,058	45	102,226	53	12.55%
Southbridge	524,358,400	32,524	336	35,698	332	–8.89%
Southwick	432,240,900	52,951	236	50,861	248	4.11%
Spencer	482,416,500	41,306	312	40,940	318	0.89%
Springfield	4,097,775,200	27,472	350	31,540	345	–12.90%
Sterling	430,076,300	61,082	195	62,198	174	–1.79%
Stockbridge	373,855,300	161,772	27	157,889	26	2.46%
Stoneham	1,406,201,000	63,869	180	61,958	176	3.08%
Stoughton	1,457,014,800	53,864	230	51,592	245	4.40%
Stow	470,428,500	84,992	90	76,527	99	11.06%
Sturbridge	478,653,000	59,490	204	61,942	177	–3.96%
Sudbury	1,866,486,800	122,072	43	106,044	48	15.11%
Sunderland	160,751,600	45,320	290	45,851	283	–1.16%
Sutton	472,689,100	62,484	187	57,065	210	9.50%
Swampscott	1,121,853,200	81,631	102	80,700	89	1.15%
Swansea	908,797,400	58,361	208	57,581	207	1.35%
Taunton	2,250,229,800	43,589	301	40,772	319	6.91%
Templeton	258,133,100	39,278	327	37,198	330	5.59%
Tewksbury	1,830,605,100	63,242	182	59,712	192	5.91%
Tisbury	642,116,700	202,497	17	211,204	17	–4.12%
Tolland	90,732,900	307,569	8	331,927	8	–7.34%
Topsfield	543,986,200	91,905	75	84,641	81	8.58%
Townsend	411,661,700	45,533	289	44,619	290	2.05%
Truro	600,002,500	359,068	7	358,911	7	0.04%
Tyngsborough	524,052,400	54,379	226	53,548	234	1.55%
Tyringham	77,096,000	209,500	16	216,495	15	–3.23%
Upton	402,725,600	75,487	121	67,062	144	12.56%
Uxbridge	547,933,000	47,659	267	45,276	287	5.26%
Wakefield	1,712,489,800	68,021	157	64,990	160	4.66%
Wales	76,809,300	43,297	305	43,443	299	–0.34%
Walpole	1,591,345,300	72,757	130	71,053	121	2.40%
Waltham	3,748,643,300	68,417	154	67,417	142	1.48%
Ware	388,143,800	39,675	325	41,130	317	–3.54%
Wareham	1,245,904,000	61,924	190	61,057	185	1.42%
Warren	185,870,000	40,548	317	42,026	307	–3.52%
Warwick	39,141,100	61,350	194	63,499	169	–3.38%
Washington	39,232,100	63,074	183	58,324	203	8.14%
Watertown	2,187,958,300	69,598	145	69,764	128	–0.24%
Wayland	1,450,192,100	117,377	44	109,364	45	7.33%
Webster	703,750,400	43,369	302	44,088	293	–1.63%
Wellesley	3,914,149,200	144,775	33	122,081	38	18.59%
Wellfleet	703,867,400	262,148	10	260,212	10	0.74%
Wendell	43,451,100	47,178	273	46,072	280	2.40%
Wenham	363,518,900	82,281	99	75,815	105	8.53%
West Boylston	405,565,700	61,449	192	61,900	179	–0.73%
West Bridgewater	493,167,900	76,401	117	75,359	107	1.38%
West Brookfield	184,176,700	50,198	253	52,950	238	–5.20%
West Newbury	334,166,900	85,030	89	75,186	108	13.09%
West Springfield	1,404,520,000	52,435	240	58,355	201	–10.14%
West Stockbridge	149,089,100	93,414	73	99,534	57	–6.15%
West Tisbury	545,653,900	294,312	9	296,698	9	–0.80%
Westborough	1,416,340,000	93,395	74	87,586	75	6.63%
Westfield	1,675,556,600	43,879	298	44,031	294	–0.35%
Westford	1,521,187,700	82,642	98	73,470	113	12.48%
Westhampton	92,538,000	66,478	167	58,660	197	13.33%
Westminster	390,996,800	59,667	200	63,638	168	–6.24%
Weston	2,001,436,800	194,295	21	169,669	24	14.51%
Westport	1,168,931,100	82,844	97	80,008	93	3.54%
Westwood	1,526,558,900	114,529	46	105,800	49	8.25%
Weymouth	2,776,803,700	50,617	249	50,185	253	0.86%
Whately	111,349,700	85,786	87	79,121	95	8.42%
Whitman	549,559,400	40,893	313	40,617	321	0.68%
Wilbraham	856,219,400	68,208	155	68,065	137	0.21%
Williamsburg	142,668,500	56,014	220	55,416	217	1.08%
Williamstown	495,770,000	62,700	186	62,686	173	0.02%
Wilmington	1,689,244,100	88,014	83	81,360	88	8.18%
Winchendon	321,638,200	34,779	332	35,945	331	–3.24%
Winchester	2,258,551,500	109,362	50	99,854	55	9.52%
Windsor	60,074,800	69,612	144	64,998	159	7.10%
Winthrop	800,633,400	44,596	295	47,443	270	–6.00%
Woburn	2,687,725,100	73,891	124	75,929	103	–2.68%
Worcester	5,409,541,600	32,708	335	34,996	334	–6.54%
Worthington	79,917,500	66,267	169	66,841	147	–0.86%
Wrentham	657,863,300	64,585	177	59,205	195	9.09%
Yarmouth	2,161,867,200	99,501	63	104,795	51	–5.05%
State Total	**377,222,382,300**					
State EQV Per Capita		62,442				

Table 2

1996 Equalized Valuations
➡ *continued from page three*

The EQVs also play a role in how a component of Chapter 70 education aid called overburden aid is distributed. For communities that must increase their local contribution to schools to reach their foundation budget spending target, overburden aid provides temporary state assistance to low and medium wealth communities to help bridge this gap. For example, overburden aid is awarded when a community's per capita income is below the state average, or when the "adjusted equalized value per pupil" is 120 percent or less of the state average. Adjusted EQV per pupil is calculated by multiplying a community's equalized valuation by the ratio of its per capita income to the statewide average per capita income and dividing by the number of foundation pupils.

The state and county assessments that use EQVs in their formulas totaled approximately $30 million in FY97. The assessment programs using EQVs include: County Tax, Mosquito Control Projects, Air Pollution Districts and Boston Metropolitan Transit District. County taxes represent $24.7 million of these assessments and are assessed in proportion to each municipality's share of total county EQV.

Finally, EQVs are used to compute municipal debt limits. The debt limit for cities is calculated at 2.5 percent of the latest EQV. For towns, it is set at 5 percent of the latest EQV. Communities may petition the Emergency Finance Board to increase their debt limit up to 5 percent for cities and 10 percent for towns. Although many borrowing purposes (e.g., water projects, landfill closure and certain sewer projects) are outside of this general debt limit, certain of these purposes have specific debt limitations that are also based on EQV.

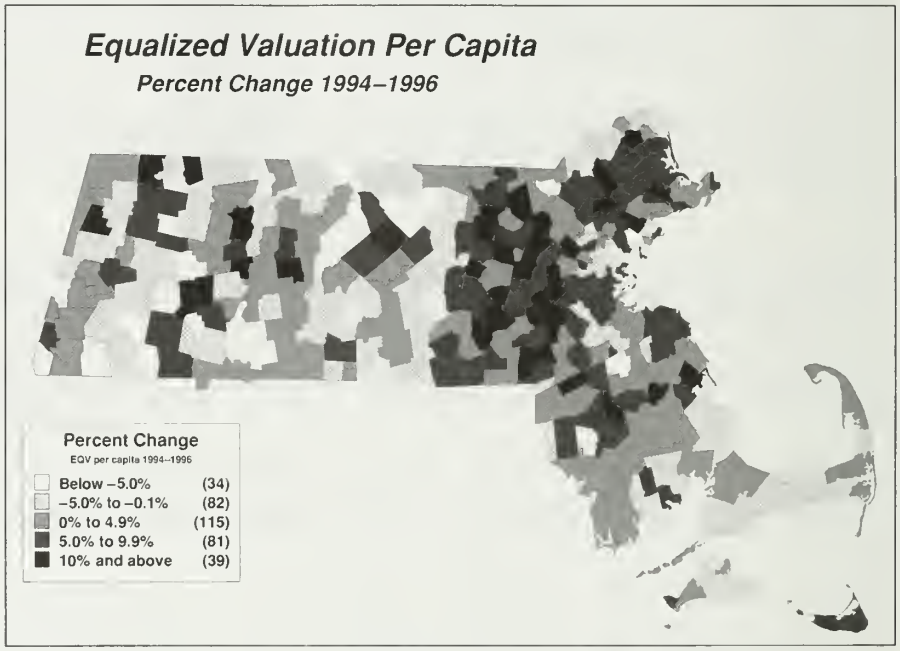


Figure 2

Findings

Table 2 shows the 1996 EQVs, the 1996 EQV per capita, and the state-wide rank in EQV per capita for each municipality. In addition, *Table 2* shows the 1994 EQV per capita, the state-wide rank in 1994 EQV per capita and the percentage change in EQV per capita between 1994 and 1996. Similar to the 1994 rankings, the town of Chilmark again had the highest 1996 EQV per capita at $1,073,818, with Gosnold and Gay Head close behind at $973,689 and $896,674, respectively. The state-wide average 1996 EQV per capita was $62,442 compared with the 1994 state average of $60,701.

Figure 1 shows changes in total state EQVs between 1986 and 1996. As was explained in the section on methodology, EQVs are primarily tied to real estate prices two years earlier. The graph shows that the EQVs peaked in 1990 at $427.6 billion, increasing 14.1 percent from the 1988 level of $374.9 billion. This increase reflects the peak in real estate prices in 1988. The 1988 total EQV was 69.3 percent higher than the 1986 total EQV, reflecting the rapidly rising real estate prices between 1984 and 1986. Between 1990 and 1994 total EQVs went down, dropping 8.6 percent between 1990 and 1992, and 6.6 percent between 1992 and 1994. Between 1994 and 1996, EQV increased from $365.3 billion to $377.2 billion, a 3.3 percent increase reflecting a turnaround in real estate prices between 1992 and 1994.

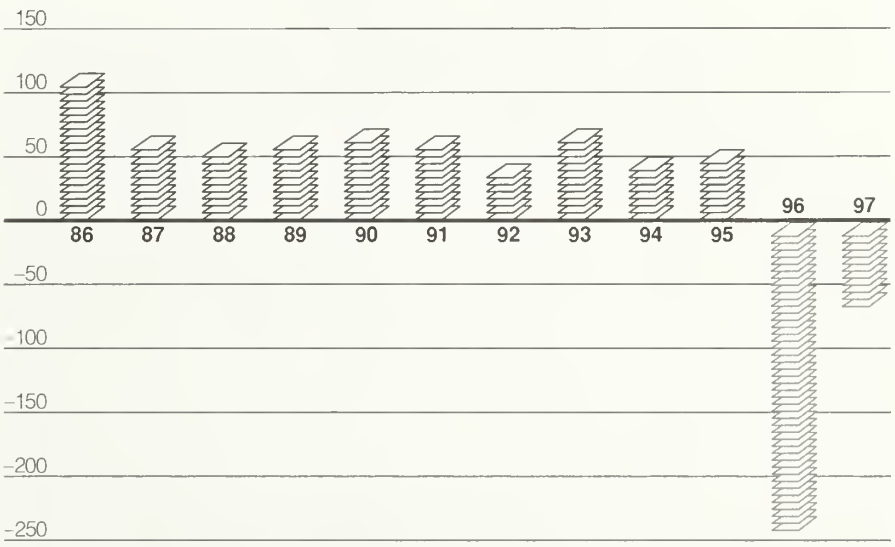
Figure 2 is a map showing percent change in EQV per capita from 1994 to 1996. This map shows percentage changes for every city and town in Massachusetts. For the most part, the communities with the largest increases in EQV per capita tend to be in the belt between Routes 128 and 495. Communities with the largest decreases tend to be in the central and western parts of the state. ■

Written by Stan Nyberg
Data analysis by Donna Demirai

Smithsonian Award

The Massachusetts Department of Revenue (DOR) received the 1997 Computerworld Smithsonian Award, in the government and non-profit category, for its vision and leadership in the use of information technology. DOR was recognized at the Smithsonian Institute in Washington, D.C., on June 10, 1997, for its revolutionary tax processing systems, Telefile and Imaging. The Telefile interactive voice response tax system, for short-form tax filers, has reduced a 180-ton paper system to a paperless, electronic touch-tone telephone system. Also breaking with the 9 am-to-5 pm tradition, Telefile can be used 24 hours a day, 7 days a week and saves taxpayers approximately 80 percent of the standard processing costs. In addition, DOR uses one of the world's most advanced image/data capture systems for long-form filers. DOR's systems are not only award winners, but also models in 15 other states and part of the Smithsonian's permanent collection on the Information Age. ■

New CMRs Promulgated by Year



Cutting Red Tape

➡ *continued from page one*

view process in a handbook, entitled *20 Principles for Writing Effective Regulations: A Primer for State Agencies*, which it distributed to agency personnel.

As a result of the Regulations Review Project, the Code of Massachusetts Regulations is now much leaner and more readable. Every regulation has been considered in the context of its cost/benefit. Duplications and overlaps have been eliminated. Non-essential regulations have been rescinded. In sum, the project has reduced the regulatory burden on Massachusetts citizens and businesses. ■

Legal

➡ *continued from page two*

maps. Although the maximum borrowing term is 10 years, the useful life of a revaluation is only three years.

Q: *A taxpayer owned a tax delinquent property. For fiscal year 1997 the assessors increased the parcel's valuation. The taxpayer timely tendered the FY97 payments with the tax bills to preserve the right of appeal to the Appellate Tax Board (ATB). Can the collector apply the payments to previous years' tax obligations?*

A: No. It is a general legal principle that if a debtor specifies where payment is to be applied, then the creditor is not permitted to apply payment elsewhere. The debtor must exercise the primary power to direct payment before or at the time of payment. If a debtor neglects to designate where payment is to be applied, then the creditor can apply the payment to any of the debts, as the creditor chooses and without concern for the debtor's interests. *Warren Brothers Company v. Sentry Insurance*, 13 Mass. App.Ct. 431 (1982). In a 1989 decision, the ATB held that that a letter or a notation on a check detailing exactly where payment is to be applied constitutes sufficient notice as to the application of payment. *Cressey Dockham & Co., Inc. v. Board of Assessors of Andover. Commissioner of Revenue v. Molesworth* 408 Mass. 580 (1990), was a case having to do with income tax obligations. There the Supreme Judicial Court held that, absent a statute to the contrary, payments were to be applied as expressly directed by the taxpayer. We think the principle applies with equal force to property tax payments.

In the case at hand, where the taxpayer submitted payments with the tax bills, the taxpayer had instructed the collector. Accordingly, the collector was not free to apply payment elsewhere. ■

Compiled by James Crowley

Municipal Fiscal Calendar

August 1
Taxpayer: *Deadline for Paying 1st Quarterly Tax Payment. M.G.L. Ch. 59, Sec. 57C; Deadline for Payment Without Interest*

Taxpayer: *Annual Boat Excise Return Due*

Accountant: *Notification of Total Receipts of Preceding Year*
The total actual local receipts (e.g., motor vehicle excise, fines, fees, water/sewer charges) of the previous fiscal year must be included on Schedule A of the Tax Rate Recapitulation Sheet (Recap) which is submitted by the Assessors to DOR. On the Recap, the Accountant certifies the previous fiscal year's actual revenues, and the Assessors use this information to project the next fiscal year's revenues. Any estimates of local receipts on the Recap that differ significantly from the previous year's actual receipts must be accompanied by documentation justifying the change in order to be approved by the Commissioner of Revenue.

August 15
Assessors: *Deadline to Vote to Seek Approval for Authorization to Issue Preliminary Tax Bills*
For communities issuing preliminary real and personal property tax bills on a twice-yearly (non-quarterly) basis, the Assessors must vote to seek tax notice authorization approval from DOR by this date. After receiving approval, Assessors must submit a Pro-forma Tax Rate Recap Sheet to DOR for review and issue the tax bills by October 1.

Treasurer: *4th Quarter Reconciliation of Cash for the Previous Fiscal Year (due 45 days after end of quarter)*
A reconciliation is the process of comparing the Treasurer's accounts to the Accountant's ledger balance to determine if they are consistent, and for the officials to make any necessary corrections. When the reconciliation is complete, the Accountant should indicate agreement with the Treasurer's balances. Reconciliations are required every quarter by DOR, but cities and towns should reconcile monthly for their own purposes. Municipalities may also use these reports to monitor cash practices of the Treasurer's office. If the Accountant and Treasurer are not consistently reconciling cash accounts, or if the reconciliations indicate variances, the Mayor or Selectmen should inquire as to the reasons.

August 31
Taxpayer: *Last Filing Day for Classified Forest Land, M.G.L. Ch. 61*

DOR/BOA: *Issue Instructions For Determining Local and District Tax Rates*
A copy of the Tax Rate Recap Sheet and its instructions are forwarded to the town.

Assessors: *Begin Work on Tax Rate Recapitulation Sheet (to set tax rate for semi-annual bills)*
Until the Tax Rate Recap Sheet is completed and certified by the Commissioner of Revenue, the town may not set a tax rate nor send out its property tax bills (unless it issues quarterly tax bills or requests from DOR the authority to send out preliminary tax notices if DOR requirements are met). Towns should begin gathering the information in enough time for the tax rate to be set and tax bills mailed by October 1. The Tax Rate Recap Sheet provides Selectmen with a ready-made financial management tool because the town's most important financial management information is summarized on this form.

9M 7/97 DC97BO4

Data Bank Highlight

Watch the DLS Website for Cherry Sheets

Approximately four or five days after the Governor signs the state budget, look for municipal and regional school district Cherry Sheets on the World Wide Web. The Division of Local Services (DLS) will make this data on estimated receipts (State Aid) and assessments available on its website, most likely a few days before local financial officers receive their Cherry Sheets by mail. ■

To obtain Municipal Data Bank information contact: John Sanguinet at (617) 626-2355 for printed reports and data files; Burt Lewis at (617) 626-2358 for the On-Line Access System; or use the World Wide Web address below.

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS World Wide Web site at **http://www.state.ma.us/dls** or by writing to PO Box 9655, Boston, MA 02114-9655.

Marilyn H. Browne, Editor

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CITY & TOWN

Mitchell Adams, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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Franklin Regional Council of Governments

Written by Sandra Bruso

The story of the reorganization of Franklin County differs markedly from the recent history of many Massachusetts county governments. With the Middlesex County government abolished recently due to insolvency and Hampden and Worcester Counties slated to be dissolved at the end of FY98, the efforts of the former Franklin County communities to preserve the positive aspects of their former county government are commendable.

Chapter 48 of the Acts of 1997 abolished Middlesex County and provided that the Commonwealth would assume responsibility for the county jail, registry of deeds and court facilities in July 1997. The act also provides for the dissolution of Hampden and Worcester Counties on July 1, 1998, or earlier if they fail to meet required debt payments. Further, Chapter 48 provides state funding for the outstanding obligations of Middlesex County and requires the member communities to repay the state through a continuation of the former county assessment.

Although Franklin County was not plagued by fiscal problems, Section 567 of Chapter 151 of the Acts of 1996 also dissolved Franklin County and provided for state assumption of county jail, registry of deeds and court services. Unlike the state sponsored Middlesex legislation, however, this act was sponsored by Franklin County officials who recognized the need for forward thinking so that they could continue to provide locally desired regional services. Toward this end, the act authorized a charter commission to explore alternative structures for providing services when the county dissolved (pursuant to the same bill) on June 30, 1997. The conclusion of this process was a new regional government entity, the Franklin Regional Council of Government (FRCOG). This article takes a brief look at the how this new government is structured and the services it provides.

The charter commission finalized its work in five months, followed by unanimous town meeting or council approval of the plan in the 26 former Franklin County towns. Not averse to sharing a good idea, the new Franklin Regional Council of Government (FRCOG) charter permits other Massachusetts communities to become members.

FRCOG provides locally desired regional services

FRCOG members believe they have achieved their goal of retaining the best attributes of a regional public service provider while avoiding the financial problems associated with many counties. FRCOG's new structure has three branches, the Council, the Franklin Regional Planning Board and the Executive Committee. The Council, made up of representatives from each member community, approves proposals and appropriates funds. The Franklin Regional Planning Board is comprised of a representative from each town's board of selectmen, planning board and 18 at-large members. The executive committee has five members, two elected on a county-wide basis during the state biennial election, two appointed by the council and one appointed by the regional planning board. This committee has largely assumed the role formerly played by the county commissioners, i.e., to develop policies and create the budget for adoption by the council. An executive director, with the assistance of finance and regional planning directors, oversees the council's directives and manages the day-to-day regional operations.

The council's community members are appointed by their respective boards of selectmen. Each member community has one vote on non-appropriation related issues. Council votes are weighted according to each members' total FRCOG assessment when the vote concerns an appropriation. Thus, the smallest town's (Monroe's), vote carries a weight of 0.45 percent for appropriation votes while the largest town, Greenfield, has 21.03 percent of

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LEGAL

in Our Opinion

Q: *Is there a statute of limitations on the collection of motor vehicle excise?*
A: Pursuant to M.G.L. Ch.60A Sec.2, there is a six-year limitation period only on Commonwealth excise assessed by the Department of Revenue. There is no limitation period on excise taxes imposed by cities and towns. Although there is no time limit on the continuing validity of a locally assessed excise, there are certainly time limits on the various collection remedies utilized by cities and towns. For example, the Registry of Motor Vehicles promulgated regulations on marking licenses or registrations for non-renewal. These regulations reduce the statutory six-year limitation period on non-renewal markings set forth in M.G.L. Ch.60A Sec.2A to two years for all excise bills issued after December 31, 1993.

In addition, there is a six-year statute of limitations on civil court actions brought by the collector (M.G.L. Ch.260 Sec.2). There is no time limit, however, on certain other remedies. A collector, for example, can utilize the statutory set-off procedure described in M.G.L. Ch.60 Sec.93. Where taxes are delinquent, a community can also deny or revoke certain licenses if town meeting or city council has adopted M.G.L. Ch.40 Sec.57, a local option statute.

Q: *A private bus company provides transportation for school children in a certain community. Would motor vehicle excise be assessed by the community where the buses are garaged or by the community afforded the bus service?*
A: M.G.L. Ch.60A Sec.6 declares that motor vehicle excise will be levied and collected by the community where the vehicle is customarily kept. Ordinarily, a motor vehicle is customarily kept in the community where the registrant lives or has a principal place of business. If the vehicle is customarily kept in some other community, then that city or town will assess motor vehicle excise. In our view, the community where a vehicle is regularly parked overnight is the place where the vehicle is customarily kept.

Q: *What is the role of town meeting in the acquisition of real estate?*
A: M.G.L. Ch.40 Sec.14 provides that the board of selectmen may purchase land provided the purchase has previously been approved by town meeting vote, and an appropriation has previously been raised by loan or otherwise, by two-thirds vote of town meeting.

Q: *Can assessors delegate their authority to grant abatements to office staff?*
A: No. A board of assessors can act officially only when they or a majority of them are in session as a board at a duly constituted meeting. *Carbone, Incorporated v. Kelly*, 289 Mass. 602. An abatement can be made only at such a meeting. A board is also required to keep a record of its acts.

Q: *Can a community increase its tax levy by more than 2.5 percent in any year without voter approval of a debt exclusion or override?*
A: Yes. Proposition 2½ (M.G.L. Ch.59 Sec.21C) establishes the maximum amount which a community can levy each year. The Division of Local Services annually calculates the community's levy limit by increasing the previous year's levy limit by 2.5 percent as well as by any new growth. The growth figure consists primarily of new construction. As a general matter, the new levy ceiling may not exceed 2.5 percent of the community's full and fair cash value of all taxable property. Under the statute, a community can levy taxes at or below its levy limit for that year regardless of the amount levied in the previous year. Accordingly, a community's tax levy can increase by more than 2.5 percent over the prior year's tax levy even if an override or debt exclusion were not approved. ■ *compiled by James Crowley*

Semi-Annual Preliminary Tax Bills

The Division of Local Services has issued guidelines (IGR No. 97-206) for preliminary billing by cities, towns and districts using a semi-annual payment system. Through a provision in the state budget (Ch.43 Sec.150 of the Acts of 1997), the Legislature reauthorized the law which had expired on June 30, 1997. The relevant statute, M.G.L. Ch.59 Sec.23D, **no longer contains a sunset provision**.

For fiscal year 1998, the board of assessors of an eligible community must vote at a meeting held on or before August 15, 1997 to request approval from the Commissioner to issue preliminary tax bills. The Commissioner may extend the voting deadline if there are extraordinary circumstances. Once the vote has been taken, the assessors must notify the board of selectmen, town council, city council and mayor, or prudential committee, as applicable.

By this statute, the assessors must then submit to the Commissioner a "pro forma" recapitulation sheet which reflects a balanced budget within the limits of Proposition 2½. Included on the "pro forma" is all information needed to set a tax rate for fiscal year 1998 with the exception of the assessed value of all taxable properties.

By the legislature's reauthorization of the statute, preliminary tax billing will enable so-called semi-annual communities to maintain cash flow thereby avoiding the necessity of short-term borrowing. ■

Focus on Municipal Finance

FY98 Municipal Revenue Growth Factor

Contained in a deficiency budget for FY96 (Section 24 of Chapter 204 of the Acts of 1996) was language that changed significantly the method of calculation for the FY98 Municipal Revenue Growth Factor (MRGF). The MRGF is calculated annually by the Division of Local Services and estimates the percentage increase in general purpose revenues for each city and town. The MRGF percentages are used by the Department of Education (DOE) to calculate each community's preliminary local contribution and gross standard of effort.

In most communities, the local contribution, or the local dollars spent on education, must be increased from one year to the next by the MRGF, thus ensuring that the schools receive their fair share of increasing revenues. The gross standard of effort serves as a measure of a community's ability to fund education and plays a primary role in determining the amount of new Chapter 70 education aid received by many communities.

The following explains the nature of the legislative changes to the MRGF and provide some background regarding the rationale for changing the calculation.

Rationale for Changing the MRGF

Prompted by growing concern that the MRGF estimates were understating the actual revenue growth in many communities, the Foundation Budget Review Commission recommended changes to the calculation in its February 1996 report to the legislature. The commission, established as part of the Education Reform Act of 1993, was formed to "review the way in which foundation budgets are calculated and to make recommendations to the general court regarding changes in the formula as may be appropriate."

In its review of the MRGF, the commission identified the statutory method for measuring the change in unrestricted local receipts as the cause for the relatively low MRGF estimates. For example, the state-wide average MRGF in FY97 was only 2.49 percent, despite state-wide growth in the tax levy of 3.88 percent and state aid of 4.49 percent. Since these revenues together represented approximately 90 percent of the total revenues used in the FY97 calculation, it was clear that the remaining 10 percent of total revenues, unrestricted local receipts, were having a disproportionate impact on the calculation.

Prior to FY98, unrestricted local receipts were measured by comparing the actual receipts of the prior year with the budget estimates of the current year. Typically, most communities used conservative budget estimates in relation to the prior year actual receipts in an effort to build fund balance and generate free cash. In some cases, tension developed between municipal and school officials when conservative budgeting practices were construed as deliberate attempts to manipulate the MRGF and, as a result, reduce the school budget.

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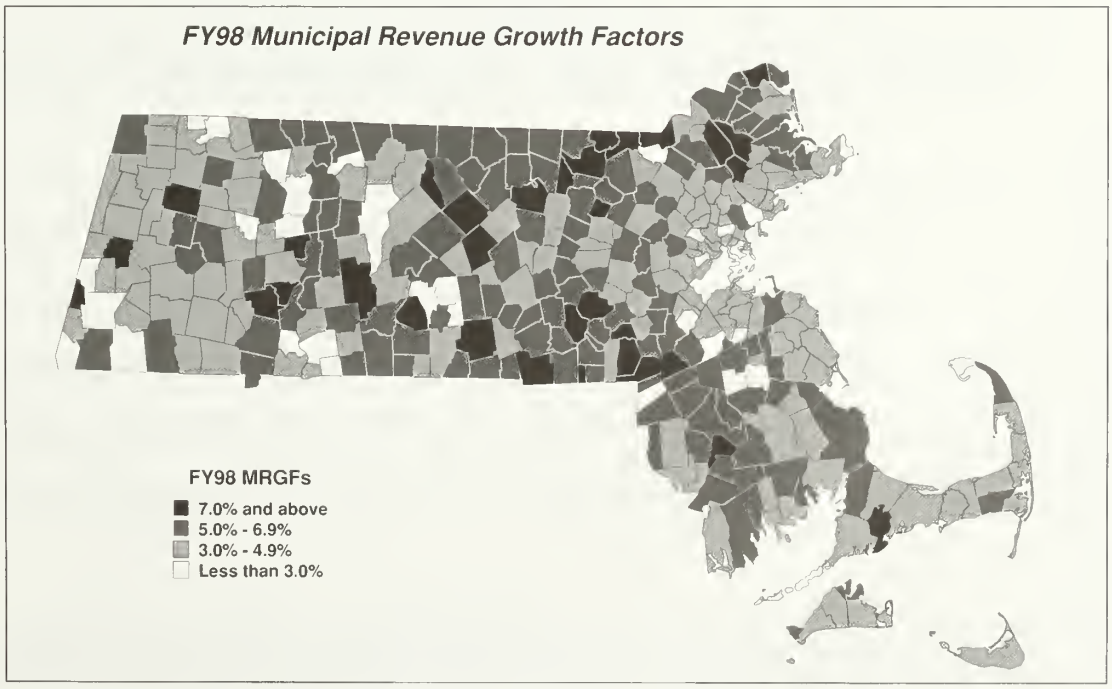

Figure 1

Trends in the Municipal Growth Factor

Municipality	FY94 MRGF	FY95 MRGF	FY96 MRGF	FY97 MRGF	FY98 MRGF	Chg FY98 - FY97
Abington	2.74	3.49	3.52	4.12	5.48	1.36
Acton	2.90	3.04	4.12	4.42	5.23	0.81
Acushnet	3.78	3.48	4.08	4.68	4.41	-0.27
Adams	1.91	1.52	2.98	1.54	3.45	1.91
Agawam	2.38	2.68	3.10	2.89	4.54	1.65
Alford	3.65	2.84	3.19	1.31	7.66	6.35
Amesbury	3.65	3.83	4.34	4.17	7.29	3.12
Amherst	3.25	3.01	4 13	4.59	5.72	1.13
Andover	3.10	3.86	4.32	2.82	5.25	2.43
Arlington	2.04	2.10	2.47	2.02	2.49	0.47
Ashburnham	3.56	2.97	4.31	2.98	5.58	2.60
Ashby	3.82	1.90	4.71	3.26	5.99	2.73
Ashfield	3.66	3.02	3.61	3.30	4.07	0.77
Ashland	4.10	3.97	4.53	3.47	4.34	0.87
Athol	3.04	2.98	4.61	4.54	4.96	0.42
Attleboro	3.28	2.34	4.62	4.17	5.49	1.32
Auburn	3.18	3.73	4.13	3.12	5.01	1.89
Avon	4.05	3.01	4.32	3.47	5.16	1.69
Ayer	7.05	6.52	4.67	5.12	6.29	1.17
Barnstable	4.03	3.72	3.15	0.89	4.28	3.39
Barre	5.20	4.58	4.52	4.00	5.79	1.79
Becket	4.79	3.45	2.97	3.79	4.73	0.94
Bedford	3.72	3.69	3.70	2.67	5.03	2.36
Belchertown	5.39	5.43	4.14	2.44	8.63	6.19
Bellingham	5.47	9.53	6.93	3.16	4.50	1.34
Belmont	2.76	2.23	2.57	2.39	3.78	1.39
Berkley	6.06	6.73	7.66	7.38	8.50	1.12
Berlin	1.07	1.10	3.51	4.29	6.67	2.38
Bernardston	2.75	2.55	2.87	3.13	5.18	2.05
Beverly	2.66	3.13	3.74	3.66	4.40	0.74
Billerica	4.18	3.30	3.74	2.78	4.85	2.07
Blackstone	1.59	2.84	3.65	3.15	6.20	3.05
Blandford	0.16	2.90	-1.83	1.83	3.94	2.11
Bolton	1.79	2.61	3.39	4 46	6.20	1.74
Boston	2.35	1.69	2.44	0.74	2.77	2.03
Bourne	3.17	1.59	2.40	1.59	5.26	3.67
Boxborough	6.01	6.44	6.77	6.46	7.35	0.89
Boxford	2.79	2.94	3.60	3.46	7.65	4.19
Boylston	3.84	3.07	2.96	3.87	4.55	0.68
Braintree	2.01	2.69	3.05	1.74	4.52	2.78
Brewster	1.76	2.24	3.20	1.66	4.23	2.57
Bridgewater	4.51	3.93	5.44	5.56	6.28	0.72
Brimfield	4.37	2.47	3.20	0.53	5.16	4.63
Brockton	2.56	2.64	3.03	1.94	5.32	3.38
Brookfield	3.76	-0.98	4.51	-1.44	5.23	6.67
Brookline	3.14	1.76	3.16	2.54	3.54	1.00
Buckland	0.91	1.04	1.28	2.26	4.28	2.02
Burlington	3.37	3.12	3.25	3.38	3.83	0.45
Cambridge	2.92	1.68	2.23	1.66	4.86	3.20
Canton	3.89	2.94	3.80	2.63	3.67	1.04
Carlisle	2.02	3.35	3.49	3.53	6.49	2.96
Carver	3.56	3.38	4.17	4.73	3.14	-1.59
Charlemont	4.55	3.52	3.31	2.86	4.69	1.83
Charlton	4.47	4.75	4.49	4.68	7.84	3.16
Chatham	3.73	2.82	3.03	3.53	4.36	0.83
Chelmsford	2.75	2.70	2.92	3.25	4.07	0.82
Chelsea	2.87	3.55	3.70	3.97	3.77	-0.20
Cheshire	3.23	3.02	4.12	3.86	3.89	0.03
Chester	4.06	3.37	4.44	3.70	3.69	-0.01
Chesterfield	2.46	1.49	1.68	2.78	4.92	2.14
Chicopee	3.10	3.13	3.80	3.72	3.94	0.22
Chilmark	3.92	3.94	3.97	3.96	4.59	0.63
Clarksburg	2.70	2.79	4.09	3.59	4.19	0.60
Clinton	0.67	3.39	3.99	3.69	3.24	-0.45
Cohasset	2.64	2.66	2.86	2.30	3.27	0.97
Colrain	3.26	2.73	1.52	0.36	5.45	5.09
Concord	1.80	2.00	3.64	1.75	4.17	2.42
Conway	0.71	2.36	4.66	3.43	6.28	2.85
Cummington	-0.37	-0.19	4.12	2.26	4.83	2.57
Dalton	3.00	3.12	2.63	2.98	4.74	1.76
Danvers	3.46	3.17	3.45	4.08	4.61	0.53
Dartmouth	3.60	3.96	4.53	3.81	5.16	1.35
Dedham	2.16	2.37	2.70	1.18	4.66	3.48
Deerfield	0.67	-1.37	3.79	1.57	2.36	0.79
Dennis	2.83	3.17	4.10	0.76	3.47	2.71
Dighton	3.26	3.49	4.51	4.69	5.68	0.99
Douglas	5.55	4.86	5.30	2.20	8.02	5.82
Dover	3.51	3.35	2.79	4.37	5.43	1.06
Dracut	3.55	3.70	4.05	2.34	7.29	4.95
Dudley	2.98	3.08	4.32	3.09	6.03	2.94
Dunstable	3.98	3.13	5.57	2.62	7.76	5.14
Duxbury	2.36	2.56	4.21	3.18	4.60	1.42
East Bridgewater	4.27	3.30	1.22	0.86	-6.59	-7.45
East Brookfield	2.03	2.75	2.51	3.46	2.97	-0.49
East Longmeadow	3.73	3.88	5.10	2.79	5.23	2.44
Eastham	3.73	2.07	3.01	2.62	4.37	1.75
Easthampton	1.45	1.80	3.65	1.56	7.82	6.26
Easton	2.61	1.52	3.97	2.17	6.35	4.18
Edgartown	3.46	3.26	3.15	3.08	4.90	1.82
Egremont	3.02	0.15	1.82	2.75	3.00	0.25
Erving	1.90	1.49	1.74	1.39	0.15	-1.24
Essex	4.70	4.20	4.51	4.23	5.64	1.41
Everett	3.95	3.76	3.53	3.61	3.73	0.12
Fairhaven	2.34	1.93	2.48	1.14	4.51	3.37
Fall River	2.69	3.00	3.73	4.18	5.02	0.84
Falmouth	2.15	1.88	3.14	1.84	4.98	3.14
Fitchburg	2.05	1.86	3.99	4.00	5.15	1.15
Florida	2.87	2.99	1.97	1.16	3.93	2.77
Foxborough	2.99	1.75	2.71	1.33	7.18	5.85
Framingham	2.77	1.89	3.57	2.44	4.81	2.37
Franklin	4.40	3.54	5.03	3.88	9.74	5.86
Freetown	3.67	3.82	4.25	3.63	5.23	1.60
Gardner	2.73	2.92	4.09	3.97	6.26	2.29
Gay Head	3.18	3.21	0.00	4.28	5.25	0.97
Georgetown	4.80	3.84	4.70	4.26	6.59	2.33
Gill	0.05	-0.86	1.14	0.50	5.94	5.44
Gloucester	2.53	2.71	3.83	2.96	4.06	1.10
Goshen	3.59	3.47	4.08	3.85	2.32	-1.53
Gosnold	1.85	0.20	0.29	3.91	-3.66	-7.57
Grafton	1.82	2.83	2.64	2.71	5.02	2.31
Granby	4.39	3.87	4.32	4.21	3.82	-0.39
Granville	2.08	3.01	0.69	2.56	4.27	1.71
Great Barrington	3.39	3.07	3.45	0.61	3.82	3.21
Greenfield	2.20	2.61	3.55	3.54	4.22	0.68
Groton	4.01	4.69	6.05	5.64	8.68	3.04
Groveland	2.52	2.79	3.40	2.96	6.21	3.25
Hadley	3.13	3.73	4.92	4.24	6.44	2.20
Halifax	3.42	2.82	3.37	4.29	5.92	1.63
Hamilton	2.02	2.04	2.46	2.33	5.07	2.74
Hampden	4.08	3.88	5.20	5.13	5.04	-0.09
Hancock	-1.97	2.32	0.27	0.48	4.99	4.51
Hanover	0.96	1.40	3.95	3.19	4.74	1.55
Hanson	3.10	1.79	3.70	2.27	5.18	2.91
Hardwick	3.26	3.44	4.19	3.93	5.07	1.14
Harvard	2.79	2.85	4.60	3.80	6.02	2.22
Harwich	-0.15	1.22	1.90	4.16	5.82	1.66
Hatfield	1.76	2.31	0.21	1.37	7.28	5.91
Haverhill	3.93	3.16	4.01	2.72	5.08	2.36
Hawley	0.63	2.51	2.46	2.39	5.07	2.68
Heath	2.05	2.82	3.05	1.31	4.37	3.06
Hingham	2.53	3.13	3.05	0.57	5.73	5.16
Hinsdale	4.49	3.67	3.46	3.54	3.71	0.17
Holbrook	2.99	3.15	3.64	3.62	2.84	-0.78
Holden	2.77	2.63	4.57	4.68	5.26	0.58
Holland	3.63	3.48	0.61	2.65	4.55	1.90
Holliston	2.45	2.68	3.73	3.19	5.01	1.82
Holyoke	3.57	2.29	3.64	1.75	5.37	3.62
Hopedale	2.84	3.75	4.90	3.05	5.90	2.85
Hopkinton	3.90	5.74	6.29	7.48	7.61	0.13
Hubbardston	5.71	4.85	4.92	4.73	7.45	2.72
Hudson	4.20	2.66	5.01	3.12	3.52	0.40
Hull	2.53	2.67	2.93	1.67	5.07	3.40
Huntington	2.98	1.50	3.44	2.35	3.88	1.53
Ipswich	3.09	1.79	2.80	1.10	6.09	4.99
Kingston	5.28	3.37	6.24	2.36	6.61	4.25
Lakeville	3.18	3.77	3.56	3.53	6.04	2.51
Lancaster	3.00	2.04	3.24	1.71	4.91	3.20
Lanesborough	3.95	3.23	2.70	2.12	4.56	2.44
Lawrence	2.91	3.26	4.57	-0.94	4.95	5.89
Lee	3.42	0.96	3.66	1.74	4.69	2.95
Leicester	2.85	3.27	4.57	-0.56	5.68	6.24
Lenox	-4.71	-4.90	-3.73	-3.06	7.44	10.50
Leominster	2.10	1.46	2.23	1.06	7.02	5.96
Leverett	3.56	3.93	4.08	3.89	5.24	1.35
Lexington	2.71	2.67	2.15	1.79	3.20	1.41
Leyden	3.92	3.39	0.81	3.47	6.33	2.86
Lincoln	1.51	1.23	2.35	-0.43	5.23	5.66
Littleton	3.36	2.52	3.25	2.99	5.48	2.49
Longmeadow	2.76	3.02	3.04	2.97	3.96	0.99
Lowell	2.93	3.35	3.74	3.26	2.40	-0.86
Ludlow	2.82	3.31	3.83	3.20	5.74	2.54
Lunenburg	3.08	2.84	3.91	2.14	5.57	3.43
Lynn	1.74	2.59	3.48	1.06	2.60	1.54
Lynnfield	1.79	2.70	2.42	2.13	3.67	1.54
Malden	2.14	3.28	3.59	3.16	2.48	-0.68
Manchester	2.71	3.03	3.73	3.79	4.87	1.08
Mansfield	4.54	4.63	4.91	4.40	5.35	0.95
Marblehead	1.84	1.45	2.24	0.23	4.65	4.42
Marion	3.40	2.22	3.79	2.38	5.29	2.91
Marlborough	4.09	3.86	4.07	4.70	4.56	-0.14
Marshfield	2.04	2.59	2.77	1.05	4.97	3.92
Mashpee	4.10	2.72	3.92	2.67	7.79	5.12
Mattapoisett	3.17	3.44	3.32	3.01	3.99	0.98
Maynard	3.69	3.96	4.55	2.69	3.93	1.24
Medfield	4.15	3.27	3.90	4.52	5.36	0.84
Medford	2.91	2.68	2.65	2.59	3.57	0.98
Medway	5.75	5.53	5.48	6.01	8.12	2.11
Melrose	2.51	1.94	2.32	1.57	3.02	1.45
Mendon	3.82	4.41	5.11	5.28	6.32	1.04
Merrimac	4.73	4.61	5.42	6.48	6.12	-0.36

Municipality	FY94 MRGF	FY95 MRGF	FY96 MRGF	FY97 MRGF	FY98 MRGF	Chg FY98 - FY97
Metheun	2.76	3.48	3.42	2.61	4.30	1.69
Middleborough	5.07	3.94	4.35	4.08	4.61	0.53
Middlefield	5.12	5.08	3.78	3.83	5.27	1.44
Middleton	1.74	3.60	3.38	3.34	7.65	4.31
Milford	4.78	5.66	5.59	5.49	6.88	1.39
Millbury	2.73	3.20	4.18	0.42	5.86	5.44
Millis	2.55	2.16	3.95	2.58	4.60	2.02
Millville	1.86	2.47	4.17	3.88	7.18	3.30
Milton	2.76	2.35	2.98	2.55	4.04	1.49
Monroe	3.54	8.06	5.17	1.56	2.73	1.17
Monson	2.21	2.65	5.17	2.51	5.50	2.99
Montague	4.01	2.50	2.95	2.30	5.33	3.03
Monterey	4.28	4.82	3.97	3.11	4.48	1.37
Montgomery	1.08	1.21	1.78	2.22	4.68	2.46
Mount Washington	-1.24	0.41	0.72	-1.86	3.92	5.78
Nahant	2.78	3.05	3.01	3.01	3.03	0.02
Nantucket	3.10	1.08	4.03	4.05	3.27	-0.78
Natick	1.96	1.96	4.02	2.97	5.38	2.41
Needham	2.09	1.48	3.02	1.46	3.82	2.36
New Ashford	1.15	1.78	2.18	1.52	4.71	3.19
New Bedford	3.11	3.10	4.15	4.73	5.05	0.32
New Braintree	1.98	3.06	3.24	3.18	5.55	2.37
New Marlborough	4.17	0.59	2.53	3.44	5.35	1.91
New Salem	3.14	3.49	3.44	3.30	2.06	-1.24
Newbury	3.46	3.49	4.03	2.70	3.78	1.08
Newburyport	3.87	3.53	4.55	3.24	4.81	1.57
Newton	2.56	3.10	3.47	1.93	4.04	2.11
Norfolk	3.13	3.40	4.85	4.91	5.57	0.66
North Adams	2.96	2.96	3.06	4.60	4.28	-0.32
North Andover	2.01	4.08	4.80	4.30	7.55	3.25
North Attleboro	3.75	-0.14	3.40	1.91	5.51	3.60
North Brookfield	1.31	1.31	2.97	1.17	6.66	5.49
North Reading	2.08	3.48	3.38	2.48	6.25	3.77
Northampton	2.34	3.27	3.93	3.65	4.82	1.17
Northborough	3.72	3.05	4.11	3.84	6.71	2.87
Northbridge	2.39	2.01	2.39	3.36	6.63	3.27
Northfield	4.35	4.15	3.16	3.68	5.00	1.32
Norton	4.86	2.84	4.41	4.12	5.43	1.31
Norwell	3.32	3.23	3.68	2.03	4.69	2.66
Norwood	2.56	2.60	2.84	2.89	2.86	-0.03
Oak Bluffs	1.50	3.23	4.04	1.03	6.22	5.19
Oakham	2.02	2.05	2.75	3.47	4.19	0.72
Orange	2.31	2.64	4.00	3.24	4.92	1.68
Orleans	3.05	3.34	3.46	2.90	3.44	0.54
Otis	3.25	2.36	2.49	-0.07	4.34	4.41
Oxford	1.53	2.24	3.43	0.41	4.42	4.01
Palmer	3.58	3.80	4.63	4.79	5.78	0.99
Paxton	3.06	3.47	3.67	4.08	4.37	0.29
Peabody	3.04	2.43	2.88	2.94	3.17	0.23
Pelham	1.78	1.16	2.75	3.49	4.76	1.27
Pembroke	3.32	2.87	2.67	2.80	4.75	1.95
Pepperell	2.62	3.04	3.46	3.69	5.92	2.23
Peru	2.37	-2.65	3.48	2.96	5.19	2.23
Petersham	-9.75	2.31	2.69	3.67	4.05	0.38
Phillipston	5.21	2.11	2.67	4.30	8.71	4 41
Pittsfield	3.75	2.69	3.78	3.63	4.49	0.86
Plainfield	1.98	1.99	1.85	-0.12	3.10	3.22
Plainville	3.57	3.19	3.82	2.30	5.43	3.13
Plymouth	4.19	3.85	3.60	3.21	5.15	1.94
Plympton	3.64	5.28	1.91	2.68	4.62	1.94
Princeton	2.77	1.23	4.40	4.24	4.76	0.52
Provincetown	3.05	3.11	3.54	3.32	2.43	-0.89
Quincy	3.65	3.17	3.13	3.06	3.80	0.74
Randolph	2.55	2.37	3.12	1.68	3.75	2.07
Raynham	4.97	4.45	4.97	5.45	6.36	0.91
Reading	2.26	2.41	2.92	2.32	4.15	1.83
Rehoboth	3.96	4.09	4.59	4.59	4.94	0.35
Revere	2.39	2.56	2.60	2.57	3.44	0.87
Richmond	3.40	4.09	4.24	3.78	4.31	0.53
Rochester	2.62	4.29	0.43	4.88	6.83	1.95
Rockland	4.24	3.45	4.17	4.23	5.43	1.20
Rockport	2.83	2.70	3.39	3.37	2.71	-0.66
Rowe	1.81	1.78	2.33	2.07	2.64	0.57
Rowley	2.87	3.77	4.49	4.21	5.57	1.36
Royalston	1.57	1.34	3.94	3.66	6.01	2.35
Russell	2.15	2.35	2.71	3.71	3.27	-0.44
Rutland	3.69	2.95	4.56	3.82	7.68	3.86
Salem	2.57	3.00	3.99	3.42	3.86	0.44
Salisbury	4.18	2.09	4.25	3.79	6.49	2.70
Sandisfield	0.15	-1.48	-0.14	0.81	5.63	4.82
Sandwich	2.99	3.28	3.65	3.09	4.29	1.20
Saugus	3.68	3.08	3.96	3.72	5.07	1.35
Savoy	3.30	3.62	0.54	3.83	3.82	-0.01
Scituate	2.70	1.43	3.19	2.91	4.14	1.23
Seekonk	3.78	3.60	4.65	3.22	6.31	3.09
Sharon	3.12	1.69	4.47	2.07	5.20	3.13
Sheffield	4.58	0.93	0.69	2.12	5.52	3.40
Shelburne	1.05	0.85	0.01	-0.68	2.71	3.39
Sherborn	1.56	2.66	2.27	2.13	4.61	2.48
Shirley	3.71	3.56	4.83	4.40	8.00	3.60
Shrewsbury	3.05	3.03	3.50	2.50	5.71	3.21
Shutesbury	4.26	2.93	3.93	3.49	5.80	2.31
Somerset	4.82	4.83	4.51	3.83	4.49	0.66
Somerville	1.00	-0.17	3.12	1.16	4.22	3.06
South Hadley	3.03	3.70	4.34	3.53	5.43	1.90
Southampton	2.71	3.41	4.27	1.87	7.60	5.73
Southborough	2.61	1.11	2.41	0.35	6.84	6.49
Southbridge	0.19	-0.43	3.47	0.37	6.39	6.02
Southwick	4.08	2.03	2.68	2.38	6.45	4.07
Spencer	2.83	2.91	4.22	3.83	5.03	1.20
Springfield	2.92	3.26	3.94	1.29	1.39	0.10
Sterling	4.13	3.39	3.92	4.41	6.58	2.17
Stockbridge	2.29	3.28	3.78	4 16	3.15	-1.01
Stoneham	2.62	2.64	3.07	1.81	3.86	2.05
Stoughton	3.99	3.41	3.72	3.76	2.64	-1.12
Stow	2.79	3.46	4.23	3.99	4.77	0.78
Sturbridge	1.86	2.02	2.54	2.52	3.60	1.08
Sudbury	3.04	2.94	3.33	2.80	5.01	2.21
Sunderland	3.81	1.34	1.23	0.68	5.94	5.26
Sutton	4.57	4.51	5.10	4.50	5.89	1.39
Swampscott	2.64	3.10	3.35	3.51	4.07	0.56
Swansea	3.62	3.28	3.92	3.63	4.15	0.52
Taunton	4.09	3.41	4.63	5.03	6.42	1.39
Templeton	0.54	1.28	3.19	2.45	5.89	3.44
Tewksbury	4 75	3.89	3.66	3.97	5.47	1.50
Tisbury	0.61	2.94	2.58	1.29	5.52	4.23
Tolland	2.84	1.04	3.41	1.54	4.18	2.64
Topsfield	2.64	2.30	3.15	2.42	4.95	2.53
Townsend	2.89	3.16	4.03	3.70	5.40	1.70
Truro	3.00	2.20	2.00	0.20	5.08	4.88
Tyngsborough	3.04	3.90	3.71	1.79	9.56	7.77
Tyringham	3.58	3.78	3.50	3.58	4.17	0.59
Upton	5.05	5.28	6.13	6.78	7.64	0.86
Uxbridge	4.52	4.65	4.44	3.71	6.02	2.31
Wakefield	3.22	3.05	3.62	3.43	3.67	0.24
Wales	5.34	3.52	4.39	3.82	6.03	2.21
Walpole	3.75	3.45	4.12	4.08	6.07	1.99
Waltham	4.48	4.02	4.25	4.32	6.12	1.80
Ware	3.42	3.07	4.13	3.30	3.98	0.68
Wareham	4.53	3.25	3.50	3.51	4.14	0.63
Warren	4.08	5.05	5.45	4.03	7.13	3.10
Warwick	4.17	5.34	4.02	4.32	5.10	0.78
Washington	3.34	1.88	-3.04	-1.43	4.77	6.20
Watertown	2.42	2.32	2.33	1.37	4.49	3.12
Wayland	2.68	2.63	3.04	2.00	5.31	3.31
Webster	1.98	2.20	2.39	1.32	5.42	4.10
Wellesley	1.58	3.07	4.00	3.29	4.71	1.42
Wellfleet	3.58	3.73	3.34	4.06	4.60	0.54
Wendell	2.96	3.16	2.27	-1.70	4.83	6.53
Wenham	3.33	3.45	4.28	3.37	4.00	0.63
West Boylston	2.85	3.29	3.57	2.88	4.95	2.07
West Bridgewater	3.63	2.82	4.35	1.95	5.43	3.48
West Brookfield	0.39	-1.20	0.80	-0.06	4.16	4.22
West Newbury	2.38	3.21	4.38	5.05	5.97	0.92
West Springfield	4.37	3.55	4.23	1.60	4.06	2.46
West Stockbridge	3.62	3.88	4.56	2.45	5.38	2.93
West Tisbury	3.72	3.58	3.76	3.10	4.39	1.29
Westborough	3.65	4.20	4.64	5.07	5.51	0.44
Westfield	0.94	2.02	2.20	2.61	6.08	3.47
Westford	3.71	4.64	5.37	5.55	6.99	1.44
Westhampton	3.63	3.91	4.45	3.61	6.07	2.46
Westminster	3.02	3.49	4.16	-0.85	6.92	7.77
Weston	2.15	2.65	3.38	2.61	4.70	2.09
Westport	2.93	2.98	2.17	2.07	4.65	2.58
Westwood	3.99	1.39	3.38	3.12	3.91	0.79
Weymouth	2.77	1.63	3.54	3.08	3.72	0.64
Whately	3.76	3.72	3.76	3.41	1.51	-1.90
Whitman	3.47	3.55	4.27	4.13	3.69	-0.44
Wilbraham	2.90	3.14	3.77	3.49	3.83	0.34
Williamsburg	2.77	3.08	3.29	3.47	4.58	1.11
Williamstown	1.26	2.69	3.50	3.07	5.47	2.40
Wilmington	3.61	4.03	4.66	4.16	4.99	0.83
Winchedon	4.27	0.62	4.26	3.07	5.52	2.45
Winchester	3.03	2.92	2.91	2.36	3.02	0.66
Windsor	3.06	3.08	3.45	4.64	7.08	2.44
Winthrop	1.36	0.85	1.45	0.30	3.53	3.23
Woburn	3.48	2.59	3.68	2.07	3.12	1.05
Worcester	3.17	2.34	4.17	3.35	4.82	1.47
Worthington	3.73	2.32	3.78	3.41	6.31	2.90
Wrentham	3.51	3.33	3.93	3.59	7.51	3.92
Yarmouth	3.14	1.51	2.81	0.80	4.03	3.23
State Average	**2.90**	**2.65**	**3.38**	**2.49**	**4.36**	**1.87**

Table 1

FY98 Municipal Revenue Growth Factor
➡ *continued from page three*

To address this situation, the commission recommended to the legislature that local receipts be measured by comparing the budgeted receipts of the prior year with the budgeted receipts of the current year. This change controls for the inherent conservative bias in revenue budgeting and also provides a more realistic picture of the growth in local revenue capacity. This revision, along with additional language allowing the Division of Local Services to cap the estimated levy growth in the few communities that had reached their Proposition 2½ levy ceiling, was enacted by the legislature and then approved by the governor on July 30, 1996.

The sections below contain an overview of how the complete MRGF calculation is rendered and provide data on the impact of the change in the measurement of local receipts.

Reviewing the MRGF Calculation

The MRGF is based on the combined percentage increase of three separate components: the increase in the property tax levy limit; the annual change in general revenue sharing (state aid) and the change between the previous year's estimated receipts; and the current year's estimated receipts.

The first component of the formula estimates the FY98 levy limit. The calculation begins with the automatic 2½ percent increase in the previous year's levy limit (net of overrides). Next, an estimate of new growth is calculated based on a three-year average of new growth as a percentage of the previous year's limit. To eliminate spikes in past growth that are not likely to recur, the largest of these three percentages is compared to the average of the lower two. If the difference exceeds two percentage points, then the largest percentage is considered to represent an aberration. In this case, the average of the lowest three years out of the most recent four are used to estimate new growth. This rate is applied to the FY97 levy limit in order to estimate increases in the FY98 levy limit due to new growth.

The second component of the formula, the change in general revenue sharing state aid, is calculated as the combined change in three Cherry Sheet programs: additional assistance, lottery and state owned land. Additional assistance has been level funded in recent years so this program shows no change. As was the case in FY97, the FY98 lottery estimate reflected the entire increase ($55.5 million in FY98) in lottery aid contained in the governor's budget. State owned land was also based on the governor's proposed FY98 budget and did not include the increase in the final FY98 state budget.

The final component of the MRGF calculation is the change in unrestricted local receipts. The seven categories used are: motor vehicle excise; other excise; penalties and interest on taxes and excise; payments in lieu of taxes; fines and forfeits; investment income; and other recurring miscellaneous receipts. For FY98, this component was based on the combined change between estimated FY96 and FY97 general-purpose local receipts on the tax recapitulation sheet.

FY98 MRGF Findings

Table 1, lists each community's MRGF from FY94 through FY98 and shows the percentage point change between FY97 and FY98. *Table 1* also illustrates the trend in the state average MRGF. In the years FY94 through FY97, the MRGF averaged only 2.86 percent, substantially lower than the FY98 state average of 4.36 percent.

The majority (322) of communities have FY98 MRGFs that are higher than FY97, with Franklin having the highest FY98 MRGF (9.74 percent) in the state. Approximately half (174) of the com-

Changes in Local Receipts

		FY97 MRGF			FY98 MRGF	
	FY95 Actual	FY96 Budget	% Change	FY96 Budget	FY97 Budget	% Change
Motor Vehicle	380,828,682	339,763,934	-10.78%	340,167,510	358,808,827	5.48%
Other Excise	84,748,866	78,319,270	-7.59%	78,922,974	81,019,597	2.66%
Penalties & Interest on Taxes	70,363,176	60,029,837	-14.69%	60,271,631	60,091,245	-0.30%
Payment in Lieu of Taxes	65,298,256	67,052,202	2.69%	65,027,383	67,034,765	3.09%
Fines and Forfeits	97,612,714	90,028,335	-7.77%	96,977,216	96,982,516	0.01%
Investment Income	85,633,671	73,063,752	-14.68%	71,526,754	83,220,239	16.35%
Miscellaneous	44,365,502	41,855,106	-5.66%	20,671,355	21,542,690	4.22%
Total Recurring Local Receipts	828,850,867	750,112,436	-9.50%	733,564,823	768,699,879	4.79%

Note: FY96 Budget estimates used in the FY97 & FY98 MRGFs are not the same since additional communities finalized their tax rate data in the time between the two calculations. Some differences are also the result of the DLS internal review process to eliminate non-recurring receipts.

Table 2

FY98 Municipal Revenue Growth Factor
➡ *continued from page six*

munities have a MRGF between 2 and 5 percent. Although growth factors are up significantly in FY98, preliminary FY97 budget data reveals that most communities expect to spend at levels significantly above their FY97 requirements. As a result, these communities will be better able to absorb the FY98 increase in school spending without experiencing budgetary problems.

Table 2 compares the two methods of measuring local receipts used in the FY97 and FY98 MRGF calculations. As shown in *Table 2*, the total budgeted receipts used in the FY97 MRGF were about $79 million or 9.5 percent lower than the actual receipts of the prior year. So despite FY97 state-wide increases in the estimated tax levy of $227 million and state aid of $42 million, it was the $79 million decrease in unrestricted local receipts that produced the low FY97 MRGFs. In contrast, the FY98 MRGF calculation showed a $35 million increase in local receipts on a "budget to budget" basis, a difference of almost $114 million from the FY97 calculation.

MRGF Waivers

As has been the case in previous years, the FY98 state budget outlined waiver provisions for communities with high MRGFs. To qualify, a community's MRGF must be greater than or equal to 6.54 percent (1.5 times the state wide average) and the actual revenue growth must be less than estimated by the MRGF calculation. The application deadline is October 1, 1997. ■

written by Lisa Juszkiewicz

webnews

http://www.state.ma.us/dls

New to the DLS Web Page

Tax Collector's Forms — All forms from the appendices of the recently released *Collector's Manual* are available in two file formats: PDF format for easy viewing and printing and MS Word 6.0 DOC format for downloading to word processing. The latter format allows collectors to customize forms for their communities and potentially integrate these forms with mail merge functions or other automation approaches.

Corporations Book 1997 Supplement — Now available is the "search by keyword(s) function" to find listings of corporations, including new, revoked or withdrawn corporations, insurance companies and manufacturing corporations.

FY98 Tax Rate Recap

New Enhanced Automated Program — This new self-contained program works without municipalities needing a spreadsheet application program. It contains a database that loads your community's self-reported Municipal Data Bank values into your new growth form (LA-13) and duplicates DLS logical edits. A Quick Look tax rate estimator is available, as well as an automated upload menu choice that, after submission to DLS, will help speed tax rate setting.

FY98 Tax Rate Recap, Pro Forma & Supporting Forms — The new recap booklet is available in PDF and MS Word 6.0 DOC formats.

Fiscal 1998 Farmland Valuation Advisory Commission's Recommended Ranges of Values — This information now is available for the various categories of land classified under M.G.L.Ch. 61A (agricultural/horticultural use). ■

Franklin Regional Council
➡ *continued from page one*

the vote. The Franklin Regional Planning Board representative has a 1 percent vote and executive board members must abstain from voting on appropriation issues.

Without the obligation to support or control the courts, jail, or registry of deeds, the FRCOG is free to concentrate on tasks that are most efficiently handled at the regional level. The FRCOG sees itself less as a governing body and more as a "service delivery mechanism" responsible for implementing a strong economic development and planning program in Franklin County. For example, FRCOG will continue its participation in the Franklin Regional Transit Authority to maintain service in its sparsely populated rural areas while it seeks further highway safety improvements on Route 2. Like its predecessor, the FRCOG remains committed to improving the radio communication and emergency dispatch systems that are hindered by Franklin County's mountainous terrain. Improvements in health care and programs to prevent teen pregnancy and substance abuse are in the works. Finally, the FRCOG assists member communities with municipal services, including cooperative purchasing, engineering and zoning, and provides a common voice for the small, rural communities on Beacon Hill.

For additional information contact FRCOG's Executive Director, Jay DiPucchio at (413) 774-3167. ■

Municipal Fiscal Calendar

October 1
Collector: *Mail First Semi-annual Tax Bills*

Taxpayer: *Last Date to File Application to Have Land Valued and Taxed as Agricultural/Horticultural Land or Recreational Land, M.G.L. Ch. 61A and Ch. 61B*

October 15
DOE: *Notify Communities of Any Prior Year School Spending Deficiencies*

Superintendent: *Submit School Foundation Enrollment Report to DOE*

October 31
Accountant: *Submit Schedule A for Prior Fiscal Year*
This report is a statement of the revenues received, expenditures made and all other transactions related to the town's finances during the previous fiscal year.

The Schedule A classifies revenues and expenditures into detailed categories that will provide information essential for an analysis of revenues and expenditures generated by various departments. This data, like other financial information reported to DOR, is entered into DOR's Municipal Data Bank; as such, the Department may provide time series, comparative and other types of analyses at the request of a city or town. This information is also sent to the US Census Bureau and eliminates a prior federal reporting requirement. Failure to file by October 31 may result in withholding major distributions of state aid until the Schedule A is accepted by BOA.

Selectmen: *Begin Establishing Next Fiscal Year Budget Guidelines and Request Department Budgets*

Assessors: *Begin Work on Tax Rate Recapitulation Sheet (to set tax rate for quarterly tax bill communities)*
The town should begin gathering tax recap information in order to have enough time for the tax rate to be set and tax bills mailed by December 31. See August's Complete Tax Rate Recapitulation Sheet.

9M 9/97 DC97BO4

Data Bank Highlight

School vs. Total Expenditures Report

School vs. Total Expenditures Report has been a popular report since the passage of the Education Reform Act of 1993. This report compares actual school expenditures, from the municipal Schedule A, with non-school expenditures and as a percentage of total expenditures. This analysis combines DOR data with integrated school expenditure and pupil cost data provided by the Department of Education. This report allows users to review their communities' expenditures with past expenditures of similar communities.

To obtain Municipal Data Bank information contact: John Sanguinet at (617) 626-2355 for printed reports and data files, Burt Lewis at (617) 626-2358 for the On-Line Access System; or use the World Wide Web address below.

City & Town

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Marilyn H. Browne, Editor

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Mitchell Adams, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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Changes to DOE's School Finance Regulations

written by Frederick Kingsley

The Department of Education (DOE) has issued new school finance and accountability regulations effective August 15, 1997. These regulations dictate how school spending is reported to DOE to determine if districts are meeting the spending requirements of the Education Reform Act of 1993. There are several changes to these regulations that affect the way a school district's spending is reported to DOE on the End-of-Year Pupil and Financial Report and the way DOE calculates net school spending to determine compliance with the school spending requirement. In the article that follows, we discuss these changes and how they will impact municipal budgets in FY98.

One of the most significant changes in the regulations, and among the least widely known by local officials, concerns the revenues that DOE includes as general fund school revenues. When determining compliance with net school spending requirements, DOE reduces reported school district spending by these general fund school revenues. In prior years, these revenues included general fund tuition (as opposed to school choice tuition which is accounted for in a special revenue fund) paid to a district by another community, rental fees for the use of school buildings and investment income in regional schools. The revised regulations now include the tuition of state wards reimbursement (Line A-5 on the Cherry Sheet) and the reimbursement to *above foundation* districts for charter school tuition as general fund school revenues.

In communities where the reimbursement for the tuition of state wards receipts is deposited into a school department revolving fund, there will be no budgetary impact in FY98 since such communities have always considered these receipts as school revenues. In the other communities, these tuition revenues are typically used to support general municipal spending, as they are part of the total estimated Cherry Sheet receipts used when setting the tax rate. In this case, where a community is spending at or just above its net school spending requirement, it may be necessary to appropriate additional funds to the school budget to be in compliance.

New regulations impact school district spending

To determine net school spending in FY98, DOE will reduce reported FY98 net school spending by the FY97 actual reimbursement for the tuition of state wards (paid in late September of 1997) rather than the FY98 Cherry Sheet estimate.

The impact of including the reimbursement for *above foundation* charter school tuition as general fund school revenue is somewhat different since these receipts are not included on the Cherry Sheet. Therefore, in most communities these receipts are not budgeted, but rather are closed out at year end and become part of the certified free cash. Including these revenues as general fund school revenues may require communities at or near their spending requirement to provide supplemental appropriations to the schools. Other things being equal, using these receipts for additional school spending will result in lower free cash certifications in these communities.

Another change in the regulations involves the definition of extraordinary maintenance. Previously, capital maintenance projects costing more than $25,000 per project were not considered eligible costs to meet net school spending. Rather, these costs were reported in the *Acquisition, Improvement and Replacement of Fixed Assets* account series which is not a component of the net school spending calculation. The new regulations increase this limit to $50,000 per project, per school. This gives communities a little more flexibility to address capital maintenance needs within their net school spending requirement.

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LEGAL

in Our Opinion

Q: *A taxpayer visited the assessors' office and claimed ownership through adverse possession of a vacant parcel abutting his property. What evidence must be presented to permit the assessors to change their assessment records?*

A: Adverse possession means that title to real property has been acquired by the undisturbed use of the property that is actual, open, notorious, exclusive, and adverse to the owner for a period of at least twenty years. If the parcel is registered land, no title by adverse possession may be gained (M.G.L. Ch.185 Sec.53). M.G.L. Ch.260 Sec.31 also provides, as a general matter, that the Commonwealth and its political subdivisions may not lose land or interests in land if the real property comes within any of the following very broad categories: conservation, open space, parks, recreation, water protection, wildlife protection or held for other public purpose. See in this regard the Supreme Judicial Court decision of *Town of Sandwich v. Quirk*, 409 Mass. 380 (1991). Evidence of adverse possession may include payment of real estate taxes, residing on the land, improving the land and fencing it. An individual desiring to establish title by adverse possession must bring a court action in the Supreme Judicial Court, Superior Court or Land Court as set forth in M.G.L. Ch.240 Sec.6. Usually, these civil actions are brought in Land Court. By definition, any title to real property acquired by adverse possession is not of record.

Generally, the assessors must assess real property to the owner of record as appearing in the Registry of Deeds and the Registry of Probate. In the absence of a court decree establishing title by adverse possession, the assessors should not change their assessment records.

Q: *A seller deeded a parcel to a buyer but the buyer never recorded the deed. May a community assess the property to the grantee under an unrecorded deed?*

A: Generally, M.G.L. Ch.59 Sec.11 provides that taxes on real estate must be assessed to the person who is the owner of record on January 1 as appearing in the records in the Registry of Deeds and Registry of Probate for that county in which the property is located. By this statute, the assessors may rely solely on recorded instruments to determine ownership for purposes of assessment. An assessment to the record owner will always be valid. The Supreme Judicial Court held in *City of Boston v. Quincy Market Cold Storage and Warehouse Company*, 312 Mass. 638 (1942) that this statute is for the convenience of assessors and collectors. In the Court's view, M.G.L. Ch.59 Sec.11 permits but does not compel assessment to the record owner. Taxes may be assessed to the actual owner, if different from the owner of record. In *Quincy Market*, the Court upheld an assessment to a grantee under an unrecorded deed from the Commonwealth. The parcel, therefore, was not exempt from taxation as property of the Commonwealth.

In the case at hand, the assessors are not precluded from assessing the parcel to the actual owner or the owner in fact.

Q: *Can the assessors change the assessed values of properties which were sold after a revaluation in order for the valuations to reflect the new sales prices?*

A: No. Pursuant to M.G.L. Ch.40 Sec.56, the Commissioner every three years certifies as to whether the board of assessors is assessing property at full and fair cash value. For example, if fiscal year 1997 were a revaluation year, then a community would be revalued and certified by the Commissioner as of January 1, 1996. New values would be derived from valuation models and schedules which use calendar year 1995 sales and market data. A review of sales transactions in calendar year 1996, however, might disclose that fiscal year 1997 values understate current market values as of January 1, 1997 for fiscal year 1998. Assessors must defend their assessed values each year, and any assessment should conform to the constitutionally required full and fair cash valuation standard. The board of assessors, therefore, should update its FY97 valuation models so that all comparable parcels are uniformly valued whether or not they were recently sold. Spot assessment is unlawful while equitable taxation is the goal.

Q: *What is the procedure for transferring funds to overlay surplus?*

A: In accordance with M.G.L. Ch.59 Sec.25, there is an overlay account for each fiscal year's tax levy which is a reserve for abatements and exemptions against that particular fiscal year's tax levy. If the assessors determine that the balance in an overlay account is in excess of the warrant for personal property and real estate taxes for that year, then the assessors certify by formal vote and the amount is transferred to the fund balance reserved for extraordinary and unforeseen expenditures (commonly known as the overlay surplus account). This action can be taken by the assessors on their own initiative or within 10 days of a written request by the chief executive officer of the city or town. The certification and transfer of any excess amount to overlay surplus remains exclusively within the jurisdiction of the board of assessors.

Any amount transferred to overlay surplus becomes an available fund which can be appropriated for any lawful purpose. Any balance remaining in the overlay surplus account at the end of the fiscal year must be closed out to undesignated fund balance. ■

Compiled by James Crowley

Focus on Municipal Finance

FY97 Single Family Tax Bills and Property Values

This month's Focus reviews changes in average single family tax bills. This analysis is published annually and has become one of the most requested *City & Town* articles. The analyses are based on fiscal year 1997 property tax data reported to the Department of Revenue's Division of Local Services by the local assessors.

Average single family tax bills are calculated by summing the assessed value of all the single family parcels (classification code 101 parcels) for each community. This total is divided by the number of parcels resulting in the average single family property value. The average value is divided by 1,000 then multiplied by the residential tax rate.

Statewide Trends in Single Family Tax Bills

As in prior years, the first analysis looks at the trend in median community single family tax bills since fiscal year 1982. The median is the mid-point in the distribution of values. In other words, half the state's municipalities will have average tax bills higher than the median and half will have average tax bills below the median. Eleven cities and towns with residential exemptions have been excluded from this analysis because their data are not reported in sufficient detail to calculate the average single family tax bill. The communities excluded are Boston, Brookline, Cambridge, Chelsea, Marlborough, Nantucket, Somerset, Somerville, Tisbury, Waltham and Watertown. The remaining 340 cities and towns are included.

Figure 1 shows the median of the community average single family tax bills for most years from 1982 to 1997. The average bills are shown in actual dollars and in constant fiscal year 1997 dollars. Constant dollars are calculated using the Consumer Price Index for All Urban Consumers, Boston.

Figure 1 shows that the median continued to increase in both actual (3.68 percent) and constant (0.69) dollars from fiscal year 1996 to fiscal year 1997. There has been an increase in actual dollars every year reported on the graph. There was an increase in constant dollars for all years except 1986, 1989 and 1992. The overall increase in actual dollars since 1982 has been 108.74 percent (from $973 to $2,031). In constant dollars, the increase has been 17.34 percent (from $1,731 to $2,031 in fiscal year 1997 dollars).

A second analysis looks at the average single family tax bill for the entire state. Like the first analysis, this analysis used data from the 340 cities and towns which do not have residential exemptions. Calculating the average single family tax bill was a three-step process. First, the residential tax rate was calculated by dividing the total residential assessed value for the state by the total residential tax levy. Next, the average single family home value was calculated by dividing the total value of single family homes by the total number of parcels for the 340 municipalities. Finally, the average tax bill was calculated by multiplying the aver-

continued on page six ➡

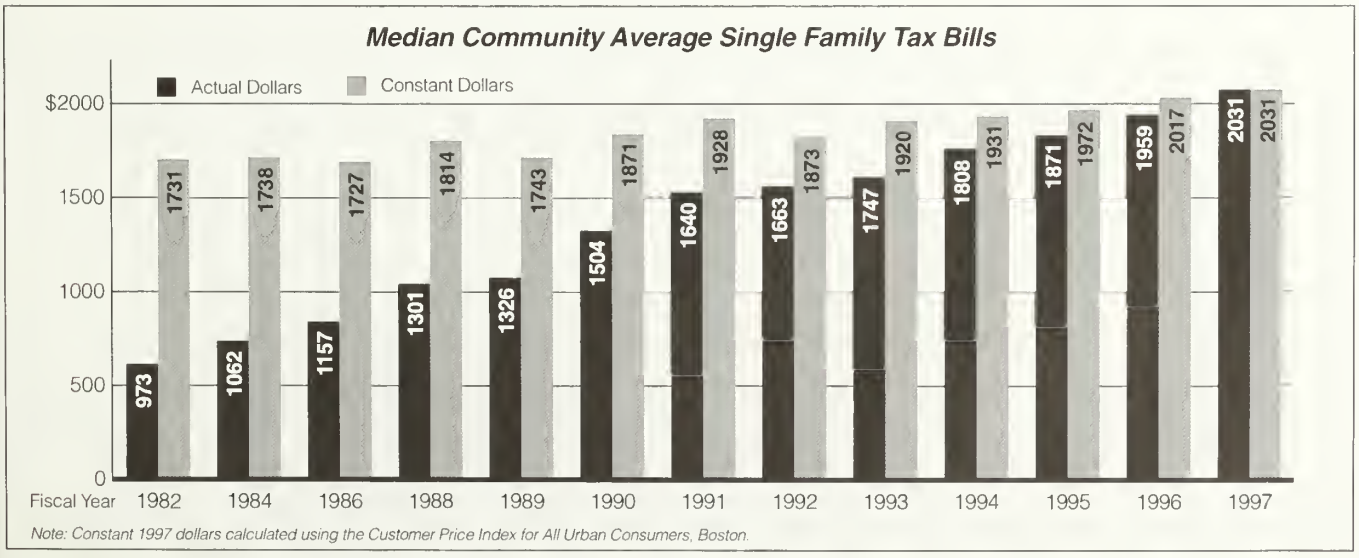

Figure 1

Average Single Family Tax Bills

Municipality	Avg Tax Bill FY93	Avg Tax Bill FY96	Avg Tax Bill FY97	FY97 Rank	% Change 96-97	% Change 93-97	% Change 96-97 Constant	Avg Assessed Value FY97	Tax Rate FY97
Abington	2,369	2,358	2,474	103	4.9	4.4	1.9	133,754	18.50
Acton	3,658	4,255	4,546	15	6.8	24.3	3.8	238,990	19.02
Acushnet	1,369	1,515	1,575	272	4.0	15.0	1.0	119,483	13.18
Adams	1,185	1,431	1,471	293	2.8	24.1	-0.2	86,730	16.96
Agawam	1,663	1,837	1,862	208	1.4	12.0	-1.6	117,224	15.88
Alford	1,715	1,770	1,806	218	2.0	5.3	-0.9	242,779	7.44
Amesbury	2,121	2,524	2,547	96	0.9	20.1	-2.0	136,150	18.71
Amherst	2,444	2,738	2,981	52	8.9	22.0	5.7	162,522	18.34
Andover	3,125	3,864	4,034	20	4.4	29.1	1.4	260,568	15.48
Arlington	2,677	3,181	3,286	41	3.3	22.7	0.3	192,395	17.08
Ashburnham	1,417	1,679	1,680	244	0.1	18.6	-2.8	102,122	16.45
Ashby	1,762	1,914	2,045	167	6.8	16.1	3.8	109,572	18.66
Ashfield	1,463	1,673	1,974	183	18.0	34.9	14.6	124,025	15.92
Ashland	2,405	2,711	2,978	54	9.8	23.8	6.7	173,737	17.14
Athol	849	945	1,025	327	8.5	20.7	5.3	71,197	14.40
Attleboro	1,445	1,668	1,770	222	6.1	22.5	3.1	119,446	14.82
Auburn	1,277	1,433	1,503	287	4.9	17.7	1.9	111,256	13.51
Avon	1,460	1,457	1,489	289	2.2	2.0	-0.7	125,575	11.86
Ayer	978	1,158	1,227	316	6.0	25.5	2.9	124,539	9.85
Barnstable	1,748	1,991	2,061	159	3.5	17.9	0.5	170,441	12.09
Barre	1,515	1,490	1,520	285	2.0	0.3	-0.9	102,118	14.88
Becket	793	933	963	330	3.2	21.4	0.2	93,889	10.26
Bedford	2,388	3,076	3,273	42	6.4	37.1	3.3	240,167	13.63
Belchertown	1,733	2,081	2,148	146	3.2	23.9	0.2	125,162	17.16
Bellingham	1,679	1,828	1,868	205	2.2	11.3	-0.8	117,690	15.87
Belmont	4,213	4,758	4,927	7	3.6	16.9	0.6	348,439	14.14
Berkley	1,445	1,530	1,580	270	3.3	9.3	0.3	130,597	12.10
Berlin	2,164	2,406	2,649	87	10.1	22.4	6.9	167,543	15.81
Bernardston	1,512	1,575	1,734	233	10.1	14.7	6.9	114,503	15.14
Beverly	2,412	2,827	2,930	59	3.6	21.5	0.7	183,261	15.99
Billerica	1,716	2,049	2,191	137	6.9	27.7	3.9	142,457	15.38
Blackstone	1,513	1,752	1,824	214	4.1	20.6	1.1	119,083	15.32
Blandford	1,210	1,310	1,326	307	1.2	9.6	-1.7	119,210	11.12
Bolton	2,862	3,433	3,931	24	14.5	37.4	11.2	235,955	16.66
Boston									
Bourne	1,655	1,826	1,902	196	4.2	14.9	1.2	151,793	12.53
Boxborough	3,294	4,494	4,604	13	2.4	39.8	-0.5	270,829	17.00
Boxford	3,275	3,571	4,005	21	12.2	22.3	8.9	292,320	13.70
Boylston	2,064	2,288	2,548	95	11.4	23.4	8.2	166,777	15.28
Braintree	1,716	1,899	1,960	188	3.2	14.2	0.2	159,235	12.31
Brewster	1,947	1,933	1,959	189	1.3	0.6	-1.6	149,505	13.10
Bridgewater	1,859	2,140	2,289	121	7.0	23.1	3.9	154,278	14.84
Brimfield	1,546	1,715	1,666	248	-2.9	7.8	-5.7	113,047	14.74
Brockton	1,528	1,672	1,759	224	5.2	15.1	2.2	85,785	20.51
Brookfield	1,414	1,707	1,703	239	-0.2	20.4	-3.1	100,306	16.98
Brookline									
Buckland	1,396	1,626	1,745	229	7.3	25.0	4.2	100,759	17.32
Burlington	1,803	2,022	2,034	168	0.6	12.8	-2.3	175,335	11.60
Cambridge									
Canton	2,343	2,542	2,655	85	4.4	13.3	1.4	195,523	13.58
Carlisle	4,832	5,315	5,467	4	2.9	13.1	-0.1	337,493	16.20
Carver	1,955	2,079	2,117	152	1.8	8.3	-1.1	115,913	18.26
Charlemont	1,572	1,784	1,904	194	6.7	21.1	3.7	91,348	20.84
Charlton	1,154	1,333	1,388	306	4.1	20.3	1.1	118,865	11.68
Chatham	1,730	1,959	2,012	175	2.7	16.3	-0.3	225,521	8.92
Chelmsford	2,548	3,020	3,061	49	1.4	20.1	-1.6	158,013	19.37
Chelsea									
Cheshire	1,092	1,122	1,196	317	6.6	9.5	3.5	104,602	11.43
Chester	1,155	1,383	1,445	297	4.5	25.1	1.5	95,949	15.06
Chesterfield	1,624	1,913	1,996	179	4.3	22.9	1.3	104,219	19.15

Municipality	Avg Tax Bill FY93	Avg. Tax Bill FY96	Avg. Tax Bill FY97	FY97 Rank	% Change 96-97	% Change 93-97	% Change 96-97 Constant	Avg. Assessed Value FY97	Tax Rate FY97
Chicopee	1,312	1,445	1,499	288	3.7	14.3	0.8	98,032	15.29
Chilmark	1,400	1,608	1,671	246	3.9	19.4	0.9	576,068	2.90
Clarksburg	1,114	1,222	1,196	318	-2.1	7.4	-4.9	82,023	14.58
Clinton	1,243	1,417	1,646	253	16.2	32.4	12.8	112,331	14.65
Cohasset	3,861	4,461	4,638	12	4.0	20.1	1.0	308,156	15.05
Colrain	1,355	1,450	1,591	266	9.7	17.4	6.6	97,928	16.25
Concord	4,165	4,845	5,067	6	4.6	21.7	1.6	394,005	12.86
Conway	2,198	2,495	2,541	97	1.8	15.6	-1.1	142,742	17.80
Cummington	1,333	1,548	1,587	267	2.5	19.1	-0.4	113,697	13.96
Dalton	1,759	1,803	1,876	203	4.0	6.7	1.1	113,295	16.56
Danvers	2,124	2,559	2,680	80	4.7	26.2	1.7	171,046	15.67
Dartmouth	1,519	1,693	1,761	223	4.0	15.9	1.0	150,137	11.73
Dedham	2,049	2,393	2,465	104	3.0	20.3	0.0	166,979	14.76
Deerfield	1,396	1,782	1,836	211	3.0	31.5	0.1	133,507	13.75
Dennis	987	1,086	1,118	324	2.9	13.3	0.0	131,051	8.53
Dighton	1,469	1,805	1,882	200	4.3	28.1	1.3	122,503	15.36
Douglas	1,609	1,779	1,884	199	5.9	17.1	2.9	117,622	16.02
Dover	4,734	5,077	4,222	17	-16.8	-10.8	-19.2	451,603	9.35
Dracut	1,768	2,016	2,005	178	-0.5	13.4	-3.4	123,698	16.21
Dudley	947	1,076	1,172	320	8.9	23.8	5.8	107,062	10.95
Dunstable	2,309	2,748	2,817	69	2.5	22.0	-0.4	183,851	15.32
Duxbury	3,692	3,936	4,085	19	3.8	10.6	0.8	250,637	16.30
E. Bridgewater	1,974	2,162	2,256	127	4.3	14.3	1.3	137,214	16.44
E Brookfield	901	952	976	329	2.5	8.3	-0.4	113,442	8.60
E Longmeadow	2,044	2,347	2,452	106	4.5	20.0	1.5	136,964	17.90
Eastham	1,423	1,579	1,659	249	5.1	16.6	2.0	143,394	11.57
Easthampton	1,283	1,584	1,633	256	3.1	27.3	0.1	107,973	15.12
Easton	2,501	2,775	2,920	62	5.2	16.8	2.2	165,181	17.68
Edgartown	1,645	1,853	2,006	177	8.3	21.9	5.1	248,244	8.08
Egremont	1,764	1,689	1,753	226	3.8	-0.6	0.8	183,008	9.58
Erving	800	913	961	331	5.3	20.1	2.2	87,823	10.94
Essex	1,830	2,141	2,607	91	21.8	42.5	18.3	189,731	13.74
Everett	1,166	1,373	1,417	302	3.2	21.5	0.2	114,205	12.41
Fairhaven	1,388	1,529	1,524	282	-0.3	9.8	-3.2	114,779	13.28
Fall River	884	1,118	1,160	321	3.8	31.2	0.8	111,183	10.43
Falmouth	1,659	1,793	1,872	204	4.4	12.8	1.4	167,463	11.18
Fitchburg	1,258	1,430	1,513	286	5.8	20.3	2.8	95,246	15.89
Florida	813	794	816	334	2.8	0.4	-0.2	60,586	13.47
Foxborough	2,206	2,538	2,672	82	5.3	21.1	2.2	172,468	15.49
Framingham	2,598	2,907	2,922	61	0.5	12.5	-2.4	169,413	17.25
Franklin	1,952	2,406	2,551	94	6.0	30.7	3.0	179,493	14.21
Freetown	1,408	1,658	1,703	238	2.7	21.0	-0.2	130,778	13.02
Gardner	1,322	1,516	1,521	284	0.3	15.1	-2.6	88,128	17.26
Gay Head	2,140	2,040	2,214	133	8.5	3.5	5.4	348,158	6.36
Georgetown	1,944	2,449	2,615	90	6.8	34.5	3.7	175,637	14.89
Gill	1,181	1,410	1,434	301	1.7	21.4	-1.2	103,185	13.90
Gloucester	2,350	2,684	2,804	70	4.5	19.3	1.5	165,945	16.90
Goshen	1,391	1,643	1,723	235	4.9	23.9	1.9	108,198	15.92
Gosnold	608	764	761	336	-0.4	25.2	-3.3	305,449	2.49
Grafton	1,816	2,104	2,198	136	4.5	21.0	1.5	143,651	15.30
Granby	1,531	1,777	1,843	210	3.7	20.4	0.7	127,717	14.43
Granville	1,592	1,828	1,814	217	-0.8	13.9	-3.6	124,231	14.60
Great Barrington	2,015	2,125	2,269	123	6.8	12.6	3.7	142,362	15.94
Greenfield	1,735	1,898	1,933	190	1.8	11.4	-1.1	98,004	19.72
Groton	2,549	2,958	3,147	48	6.4	23.5	3.3	177,984	17.68
Groveland	2,010	2,221	2,413	111	8.6	20.0	5.5	146,264	16.50
Hadley	1,207	1,654	1,738	230	5.1	44.0	2.1	133,064	13.06
Halifax	1,783	2,024	2,117	151	4.6	18.7	1.6	128,274	16.50
Hamilton	2,971	3,310	3,371	38	1.8	13.5	-1.1	222,476	15.15
Hampden	2,139	2,366	2,474	102	4.6	15.7	1.6	140,895	17.56

Municipality	Avg Tax Bill FY93	Avg Tax Bill FY96	Avg Tax Bill FY97	FY97 Rank	% Change 96-97	% Change 93-97	% Change 96-97 Constant	Avg Assessed Value	Tax Rate FY97
Hancock	761	825	706	337	-14.4	-7.2	-16.9	117,653	6.00
Hanover	2,568	2,746	2,981	53	8.6	16.1	5.4	192,188	15.51
Hanson	1,955	2,182	2,239	130	2.6	14.5	-0.3	138,220	16.20
Hardwick	1,530	1,545	1,773	220	14.8	15.9	11.5	114,985	15.42
Harvard	3,213	3,506	3,718	29	6.0	15.7	3.0	261,621	14.21
Harwich	1,590	1,829	1,865	207	2.0	17.3	-1.0	158,011	11.80
Hatfield	1,549	1,618	1,649	251	1.9	6.5	-1.0	142,784	11.55
Haverhill	1,654	1,998	2,029	171	1.6	22.7	-1.4	114,769	17.68
Hawley	1,130	1,263	1,580	269	25.1	39.8	21.5	105,360	15.00
Heath	742	1,631	1,616	260	-0.9	117.8	-3.8	85,859	18.82
Hingham	3,235	3,846	3,938	23	2.4	21.7	-0.6	250,671	15.71
Hinsdale	1,228	1,322	1,317	311	-0.4	7.2	-3.2	98,779	13.33
Holbrook	1,747	2,022	2,103	155	4.0	20.4	1.0	109,165	19.26
Holden	1,972	2,203	2,277	122	3.4	15.5	0.4	136,334	16.70
Holland	1,227	1,607	1,609	264	0.1	31.1	-2.8	101,704	15.82
Holliston	2,670	3,061	3,189	46	4.2	19.4	1.2	184,753	17.26
Holyoke	1,446	1,645	1,654	250	0.5	14.4	-2.3	94,256	17.55
Hopedale	2,356	2,647	2,567	93	-3.0	9.0	-5.8	140,292	18.30
Hopkinton	2,473	2,994	3,172	47	5.9	28.3	2.9	218,634	14.51
Hubbardston	1,271	1,596	1,612	263	1.0	26.8	-1.9	109,580	14.71
Hudson	1,988	2,233	2,258	125	1.1	13.6	-1.8	136,862	16.50
Hull	1,970	2,245	2,369	115	5.5	20.3	2.5	120,143	19.72
Huntington	1,396	1,423	1,478	292	3.9	5.9	0.9	97,284	15.19
Ipswich	2,275	2,554	2,642	88	3.4	16.1	0.5	186,707	14.15
Kingston	1,858	2,137	2,228	132	4.3	19.9	1.3	138,408	16.10
Lakeville	1,243	1,620	1,685	241	4.0	35.6	1.0	138,367	12.18
Lancaster	1,611	1,828	1,890	198	3.4	17.3	0.4	140,760	13.43
Lanesborough	1,465	1,596	1,737	232	8.8	18.6	5.7	109,087	15.92
Lawrence	1,219	1,590	1,523	283	-4.2	24.9	-7.0	78,793	19.33
Lee	1,461	1,683	1,738	231	3.3	19.0	0.3	113,745	15.28
Leicester	1,351	1,531	1,584	258	3.5	17.2	0.5	100,515	15.76
Lenox	1,904	2,095	2,149	145	2.6	12.9	-0.4	155,745	13.80
Leominster	1,749	1,890	1,904	195	0.7	8.9	-2.2	109,654	17.36
Leverett	2,204	2,670	2,890	64	8.2	31.1	5.1	145,316	19.89
Lexington	3,638	4,289	4,417	16	3.0	21.4	0.0	318,210	13.88
Leyden	1,882	2,507	2,451	108	-2.2	30.2	-5.0	134,431	18.23
Lincoln	5,617	6,039	6,317	2	4.6	12.5	1.6	504,134	12.53
Littleton	2,211	2,478	2,527	98	2.0	14.3	-1.0	162,227	15.58
Longmeadow	3,249	3,632	3,629	32	-0.1	11.7	-3.0	195,973	18.52
Lowell	1,441	1,887	1,890	197	0.2	31.2	-2.7	98,472	19.19
Ludlow	1,621	1,764	1,821	215	3.2	12.3	0.3	113,838	16.00
Lunenburg	1,771	2,044	2,328	118	13.9	31.5	10.6	126,113	18.46
Lynn	1,756	1,745	1,748	228	0.2	-0.5	-2.7	98,418	17.76
Lynnfield	3,075	3,337	3,347	40	0.3	8.8	-2.6	241,841	13.84
Malden	1,718	2,001	2,067	157	3.3	20.3	0.3	127,263	16.24
Manchester	3,994	4,542	4,790	9	5.5	19.9	2.4	401,521	11.93
Mansfield	2,128	2,555	2,679	81	4.9	25.9	1.8	160,813	16.66
Marblehead	2,922	3,252	3,419	35	5.1	17.0	2.1	280,736	12.18
Marion	2,308	2,557	2,732	74	6.8	18.4	3.8	228,846	11.94
Marlborough									
Marshfield	2,055	2,323	2,408	112	3.7	17.2	0.7	158,948	15.15
Mashpee	1,909	2,014	2,061	160	2.3	8.0	-0.6	144,602	14.25
Mattapoisett	2,024	2,265	2,490	100	9.9	23.0	6.8	175,724	14.17
Maynard	2,144	2,621	2,717	76	3.7	26.7	0.7	143,887	18.88
Medfield	3,233	3,896	4,094	18	5.1	26.6	2.1	255,426	16.03
Medford	2,055	2,308	2,460	105	6.6	19.7	3.5	158,897	15.48
Medway	2,508	2,663	2,966	55	11.4	18.3	8.2	165,171	17.96
Melrose	2,530	2,811	2,924	60	4.0	15.6	1.0	178,953	16.34
Mendon	1,793	2,026	2,188	138	8.0	22.0	4.9	153,320	14.27
Merrimac	1,811	2,407	2,451	107	1.8	35.3	-1.1	146,312	16.75

Municipality	Avg Tax Bill FY93	Avg. Tax Bill FY96	Avg Tax Bill FY97	FY97 Rank	% Change 96-97	% Change 93-97	% Change 96-97 Constant	Avg. Assessed Value FY97	Tax Rate FY97
Methuen	1,836	2,013	2,058	163	2.2	12.1	-0.7	122,327	16.82
Middleborough	1,499	1,771	1,848	209	4.3	23.3	1.3	118,697	15.57
Middlefield	1,246	1,476	1,552	278	5.1	24.6	2.1	94,596	16.41
Middleton	1,891	2,411	2,582	92	7.1	36.5	4.0	184,678	13.98
Milford	1,746	2,234	2,267	124	1.5	29.8	-1.4	136,386	16.62
Millbury	1,423	1,600	1,573	273	-1.7	10.5	-4.5	110,254	14.27
Millis	2,459	2,756	2,855	68	3.6	16.1	0.6	161,303	17.70
Millville	1,892	2,030	2,123	150	4.6	12.2	1.6	122,005	17.40
Milton	3,048	3,499	3,634	31	3.9	19.2	0.9	209,558	17.34
Monroe	881	711	698	338	-1.8	-20.8	-4.7	55,984	12.46
Monson	1,649	1,774	1,804	219	1.7	9.4	-1.2	118,003	15.29
Montague	1,142	1,323	1,435	300	8.5	25.7	5.3	97,254	14.76
Monterey	1,262	1,496	1,549	279	3.5	22.7	0.6	177,685	8.72
Montgomery	1,603	1,862	1,815	216	-2.5	13.2	-5.3	128,519	14.12
Mt Washington	1,276	1,002	1,016	328	1.4	-20.4	-1.5	176,613	5.75
Nahant	2,581	2,841	2,956	56	4.0	14.5	1.1	222,902	13.26
Nantucket									
Natick	2,384	2,846	2,871	65	0.9	20.4	-2.0	180,579	15.90
Needham	3,104	3,392	3,618	33	6.7	16.6	3.6	280,069	12.92
New Ashford	650	691	777	335	12.4	19.5	9.2	101,135	7.68
New Bedford	1,139	1,329	1,440	299	8.4	26.4	5.2	99,264	14.51
New Braintree	1,445	1,670	1,972	186	18.1	36.5	14.7	124,020	15.90
New Marlborough	1,348	1,525	1,598	265	4.8	18.5	1.8	161,206	9.91
New Salem	1,076	1,267	1,483	291	17.0	37.8	13.7	109,864	13.50
Newbury	1,923	2,287	2,345	116	2.5	21.9	-0.4	175,555	13.36
Newburyport	2,212	2,585	2,681	79	3.7	21.2	0.7	157,430	17.03
Newton	3,840	4,429	4,641	11	4.8	20.9	1.8	335,126	13.85
Norfolk	2,704	3,116	3,199	45	2.7	18.3	-0.3	202,473	15.80
North Adams	924	1,081	1,131	323	4.6	22.4	1.6	77,372	14.62
North Andover	2,533	2,940	3,021	51	2.8	19.3	-0.2	217,788	13.87
N. Attleborough	1,774	2,021	2,103	156	4.1	18.5	1.1	139,931	15.03
N. Brookfield	1,154	1,269	1,320	310	4.0	14.4	1.0	105,569	12.50
N. Reading	2,640	3,100	3,209	44	3.5	21.6	0.5	193,438	16.59
Northampton	1,583	1,895	1,995	180	5.3	26.0	2.2	130,642	15.27
Northborough	2,585	2,944	2,931	58	-0.4	13.4	-3.3	179,807	16.30
Northbridge	1,462	1,639	1,683	243	2.7	15.1	-0.3	117,539	14.32
Northfield	1,497	1,515	1,564	274	3.2	4.5	0.3	100,280	15.60
Norton	1,740	2,033	2,163	144	6.4	24.3	3.3	136,978	15.79
Norwell	3,109	3,551	3,796	26	6.9	22.1	3.8	260,896	14.55
Norwood	1,753	2,017	2,167	143	7.4	23.6	4.3	169,851	12.76
Oak Bluffs	1,545	1,939	1,989	182	2.6	28.7	-0.4	161,699	12.30
Oakham	1,327	1,434	1,623	259	13.2	22.3	9.9	132,144	12.28
Orange	1,254	1,348	1,408	305	4.5	12.3	1.4	72,863	19.33
Orleans	2,099	2,199	2,210	134	0.5	5.3	-2.4	225,316	9.81
Otis	982	1,069	1,090	325	2.0	11.0	-1.0	145,722	7.48
Oxford	1,440	1,596	1,669	247	4.6	15.9	1.6	104,339	16.00
Palmer	1,460	1,623	1,683	242	3.7	15.3	0.7	100,425	16.76
Paxton	2,052	2,370	2,432	110	2.6	18.5	-0.3	151,056	16.10
Peabody	1,538	1,470	1,580	271	7.5	2.7	4.4	153,361	10.30
Pelham	2,385	2,693	2,748	72	2.0	15.2	-0.9	149,404	18.39
Pembroke	1,884	2,139	2,235	131	4.5	18.6	1.5	149,609	14.94
Pepperell	1,813	2,120	2,183	140	3.0	20.4	0.0	146,310	14.92
Peru	1,294	1,436	1,417	303	-1.3	9.5	-4.2	77,453	18.29
Petersham	1,602	1,637	1,632	257	-0.3	1.9	-3.2	143,067	11.41
Phillipston	840	1,035	1,064	326	2.8	26.7	-0.2	93,017	11.44
Pittsfield	1,369	1,541	1,560	276	1.2	14.0	-1.7	91,505	17.05
Plainfield	1,158	1,491	1,627	258	9.1	40.5	6.0	111,579	14.58
Plainville	1,698	2,056	2,184	139	6.2	28.6	3.2	149,360	14.62
Plymouth	1,976	2,173	2,176	142	0.1	10.1	-2.7	107,793	20.19
Plympton	2,181	2,528	2,667	84	5.5	22.3	2.5	151,791	17.57
Princeton	2,553	2,780	2,868	66	3.2	12.3	0.2	175,334	16.36
Provincetown	1,825	2,013	2,033	169	1.0	11.4	-1.9	178,362	11.40
Quincy	1,862	2,049	2,105	154	2.7	13.1	-0.2	141,103	14.92
Randolph	1,826	1,954	2,019	174	3.3	10.6	0.4	126,357	15.98
Raynham	1,652	1,798	1,866	206	3.8	13.0	0.8	140,091	13.32
Reading	2,642	3,273	3,377	37	3.2	27.8	0.2	203,182	16.62
Rehoboth	1,826	1,966	2,059	161	4.7	12.8	1.7	163,421	12.60
Revere	1,790	1,928	1,922	193	-0.3	7.4	-3.2	107,293	17.91
Richmond	2,059	2,192	2,322	119	5.9	12.8	2.9	163,325	14.22
Rochester	1,845	1,982	1,993	181	0.6	8.0	-2.3	142,902	13.95
Rockland	1,743	1,939	2,129	148	9.8	22.1	6.6	131,033	16.25
Rockport	2,305	2,610	2,937	57	12.5	27.4	9.3	204,537	14.36
Rowe	679	533	572	340	7.3	-15.8	4.2	107,180	5.34
Rowley	2,066	2,425	2,524	99	4.1	22.2	1.1	172,166	14.66
Royalston	789	874	909	333	4.0	15.2	1.0	92,870	9.79
Russell	1,364	1,562	1,562	275	0.0	14.5	-2.9	107,513	14.53
Rutland	1,453	1,660	1,749	227	5.4	20.4	2.3	118,182	14.80
Salem	1,619	2,042	2,145	147	5.0	32.5	2.0	140,851	15.23
Salisbury	1,369	1,538	1,613	262	4.9	17.8	1.9	125,496	12.85
Sandisfield	1,316	1,333	1,324	308	-0.7	0.6	-3.5	150,471	8.80
Sandwich	1,822	2,022	2,256	126	11.6	23.8	8.4	142,803	15.80
Saugus	1,578	1,824	1,879	202	3.0	19.1	0.1	157,266	11.95
Savoy	982	1,154	1,187	319	2.9	20.9	-0.1	87,073	13.63
Scituate	2,464	2,742	2,856	67	4.2	15.9	1.2	192,944	14.80
Seekonk	1,723	1,811	1,922	192	6.1	11.5	3.1	146,407	13.13
Sharon	3,322	3,662	3,692	30	0.8	11.1	-2.1	190,323	19.40
Sheffield	1,860	2,047	2,050	165	0.1	10.2	-2.7	142,064	14.43
Shelburne		1,600	1,645	254	2.8		-0.1	116,826	14.08
Sherborn	5,254	5,879	6,100	3	3.8	16.1	0.8	401,333	15.20
Shirley	1,415	1,625	1,753	225	7.9	23.9	4.8	126,230	13.89
Shrewsbury	1,859	2,126	2,247	129	5.7	20.9	2.6	155,810	14.42
Shutesbury	1,990	2,456	2,668	83	8.6	34.1	5.5	131,444	20.30
Somerset									
Somerville									
South Hadley	1,690	1,895	1,962	187	3.5	16.1	0.6	128,718	15.24
Southampton	1,675	1,803	1,973	185	9.4	17.8	6.3	139,049	14.19
Southborough	2,734	3,253	3,251	43	-0.1	18.9	-2.9	244,406	13.30
Southbridge	1,415	1,592	1,541	280	-3.2	8.9	-6.0	93,391	16.50
Southwick	1,518	1,696	1,771	221	4.4	16.7	1.4	117,438	15.08
Spencer	947	1,156	1,149	322	-0.6	21.3	-3.5	103,911	11.06
Springfield	1,275	1,546	1,539	281	-0.5	20.7	-3.3	75,505	20.38
Sterling	1,920	2,180	2,378	113	9.1	23.9	5.9	148,656	16.00
Stockbridge	1,783	1,916	2,065	158	7.8	15.8	4.7	197,457	10.46
Stoneham	2,440	2,818	2,895	63	2.7	18.6	-0.2	176,429	16.41
Stoughton	1,981	2,245	2,329	117	3.7	17.6	0.8	137,989	16.88
Stow	3,335	3,638	3,872	25	6.4	16.1	3.4	209,865	18.45
Sturbridge	1,953	2,137	2,126	149	-0.5	8.9	-3.4	123,618	17.20
Sudbury	3,972	4,703	4,920	8	4.6	23.9	1.6	306,743	16.04
Sunderland	1,535	2,015	2,028	172	0.6	32.1	-2.3	130,813	15.50
Sutton	1,861	1,907	2,050	166	7.5	10.2	4.4	133,348	15.37
Swampscott	3,585	3,789	3,958	22	4.5	10.4	1.5	225,247	17.57
Swansea	1,345	1,515	1,553	277	2.5	15.5	-0.4	126,148	12.31
Taunton	1,234	1,355	1,409	304	4.0	14.2	1.0	109,204	12.90
Templeton	790	892	916	332	2.7	15.9	-0.3	94,649	9.68
Tewksbury	1,786	2,057	2,178	141	5.9	21.9	2.8	151,057	14.42
Tisbury									
Tolland	524	613	654	339	6.7	24.8	3.6	139,782	4.68
Topsfield	3,025	3,403	3,506	34	3.0	15.9	0.1	249,021	14.08
Townsend	1,839	2,135	2,204	135	3.2	19.8	0.3	120,846	18.24
Truro	1,375	1,619	1,679	245	3.7	22.1	0.7	233,191	7.20
Tyngsborough	2,385	2,735	2,730	75	-0.2	14.5	-3.1	138,996	19.64
Tyringham	1,519	1,714	1,831	212	6.8	20.5	3.8	200,767	9.12
Upton	1,564	1,825	2,050	164	12.3	31.1	9.1	174,630	11.74
Uxbridge	1,781	1,919	2,007	176	4.6	12.7	1.6	119,659	16.77
Wakefield	2,204	2,628	2,717	77	3.4	23.3	0.4	172,075	15.79
Wales	1,348	1,408	1,443	298	2.5	7.0	-0.5	87,857	16.43
Walpole	2,292	2,643	2,800	71	5.9	22.2	2.9	187,396	14.94
Waltham									
Ware	1,363	1,510	1,613	261	6.8	18.3	3.7	101,006	15.97
Wareham	1,145	1,261	1,321	309	4.8	15.4	1.7	94,195	14.02
Warren	1,318	1,349	1,447	296	7.3	9.8	4.2	90,500	15.99
Warwick	1,488	1,557	1,470	294	-5.6	-1.2	-8.3	87,642	16.77
Washington	1,030	1,253	1,308	312	4.4	27.0	1.4	115,769	11.30
Watertown									
Wayland	4,384	5,177	5,324	5	2.8	21.4	-0.1	313,927	16.96
Webster	1,103	1,237	1,293	313	4.5	17.2	1.5	112,394	11.50
Wellesley	3,908	4,325	4,555	14	5.3	16.6	2.3	453,699	10.04
Wellfleet	1,576	1,552	1,636	255	5.4	3.8	2.4	188,721	8.67
Wendell	1,503	1,689	1,728	234	2.3	15.0	-0.6	80,806	21.38
Wenham	3,227	3,712	3,724	28	0.3	15.4	-2.6	293,452	12.69
West Boylston	1,955	2,303	2,477	101	7.6	26.7	4.5	144,006	17.20
W. Bridgewater	1,683	1,947	2,058	162	5.7	22.3	2.7	146,138	14.08
W. Brookfield	1,193	1,474	1,487	290	0.9	24.6	-2.0	112,472	13.22
West Newbury	2,978	3,301	3,388	36	2.6	13.8	-0.3	226,635	14.95
W Springfield	1,584	1,888	1,974	184	4.6	24.6	1.5	115,462	17.10
W Stockbridge	2,303	2,550	2,652	86	4.0	15.2	1.0	173,355	15.30
West Tisbury	1,726	2,326	2,704	78	16.3	56.7	12.9	264,044	10.24
Westborough	2,428	3,026	3,370	39	11.4	38.8	8.2	208,562	16.16
Westfield	1,644	1,866	1,880	201	0.8	14.4	-2.1	120,331	15.62
Westford	2,504	2,899	3,059	50	5.5	22.2	2.5	205,277	14.90
Westhampton	1,932	2,186	2,293	120	4.9	18.7	1.9	133,797	17.14
Westminster	1,263	1,558	1,709	237	9.7	35.3	6.5	115,872	14.75
Weston	5,880	6,797	7,068	1	4.0	20.2	1.0	546,205	12.94
Westport	1,477	1,604	1,723	236	7.4	16.7	4.3	172,660	9.98
Westwood	3,134	3,637	3,769	27	3.6	20.3	0.6	273,907	13.76
Weymouth	1,755	2,032	2,105	153	3.6	19.9	0.6	133,199	15.80
Whately	2,182	2,401	2,438	109	1.5	11.7	-1.4	141,418	17.24
Whitman	2,098	2,336	2,256	128	-3.4	7.5	-6.2	117,526	19.20
Wilbraham	2,254	2,551	2,639	89	3.4	17.1	0.5	159,850	16.51
Williamsburg	1,669	1,871	1,924	191	2.8	15.3	-0.1	129,103	14.90
Williamstown	1,948	2,274	2,377	114	4.5	22.0	1.5	185,684	12.8
Wilmington	1,668	1,964	2,031	170	3.4	21.8	0.4	154,104	13.18
Winchendon	1,161	1,269	1,291	314	1.7	11.2	-1.2	90,108	14.33
Winchester	3,724	4,485	4,649	10	3.7	24.8	0.7	303,858	15.30
Windsor	1,073	1,230	1,274	315	3.6	18.7	0.6	105,270	12.10
Winthrop	1,808	1,941	2,025	173	4.3	12.0	1.3	147,159	13.76
Woburn	1,321	1,598	1,691	240	5.8	28.0	2.8	151,024	11.20
Worcester	1,542	1,676	1,825	213	8.9	18.4	5.8	97,729	18.67
Worthington	1,583	1,650	1,647	252	-0.2	4.0	-3.1	122,031	13.50
Wrentham	2,244	2,599	2,733	73	5.2	21.8	2.1	173,328	15.77
Yarmouth	1,311	1,410	1,451	295	2.9	10.7	-0.1	120,940	12.00

Table 1

FY97 Single Family Tax Bills and Property Values
➡ *continued from page three*

average residential tax rate for these communities. The results of this analysis for fiscal years 1988 through 1997 are shown in *Figure 2*. They are shown in both actual dollars and in constant fiscal year 1997 dollars.

For the 10 years included in this analysis, the overall average single family tax bill is consistently higher than the median of the community average single family tax bills. The differences range between $137 and $271 in actual dollars, and between $161 and $271 in constant dollars. The largest difference is in fiscal year 1997 ($271 in both actual and constant dollars). This consistent pattern can be accounted for by two factors. First, municipalities with average tax bills above the median have more single family parcels than those with average tax bills below the median. Second, the distribution of community average tax bills is positively skewed. The highest average tax bill, Weston's, is $5,037 above the median of community average of $2,031. However, the lowest average tax bill, Rowe's, is only $1,459 below the median. This reflects the fact that the statewide distribution of tax bills is skewed toward the higher end. Therefore, the average of both distributions will be higher than the median.

The trend of the state average bill parallels the trend for the community median, increasing at a greater rate than the Consumer Price Index most fiscal years. Both the median and the average grew less than the inflation index in 1989. The median grew less than inflation in 1992 and the average grew less than inflation in 1993.

Community Trends in Single Family Tax Bills

Table 1 shows average single family tax bills in actual dollars for each community in the Commonwealth over a five-year period, along with the percentage change between fiscal years 1996 and 1997 and between fiscal years 1993 and 1997. It also shows the percentage change in constant dollars from fiscal year 1996 to fiscal year 1997. Additionally this table lists the 1997 residential tax rates and average assessed single family property values.

Once again, Weston (7,068), Lincoln (6,317) and Sherborn (6,100) rank the highest in tax burden. The communities with the lowest property tax burden are Monroe (698), Tolland (654) and Rowe the lowest at (572). Between fiscal years 1996 and 1997, the majority of communities (202 or 59 percent) had a moderate increase in their property tax bill of 0 to 5 percent. Less than one-third (106 communities or 31 percent) had an increase greater than 5 percent. Less than 10 percent (32 communities) had an the average tax bill decrease.

The data in *Table 1* also shows that a high tax rate is not synonymous with a high tax burden. Wendell, Charlemont, and Brockton rank first, second and third respectively in residential tax rate, however in average bill they rank 234th, 195th and 224th respectively. In fact, of the top 10 communities ranked by residential tax rate only two are in the top 100 for tax bills and none are in the top 50.

The five-year analysis of average single family tax bills showed that over this period 320 communities (95 percent) increased by over 5 percent, with Heath showing the largest increase at 117 percent. The remaining 20 either decreased, or increased less than 5 percent. Adjusted for inflation, the pattern is similar. The average single family tax bill for 222 communities (65 percent) increased greater than 5 percent; the average tax bills for 72 communities increased 0 to 5 percent and the average tax bills for 46 of the 340 communities decreased between fiscal years 1993 and 1997. ■

written by Municipal Data Bank staff

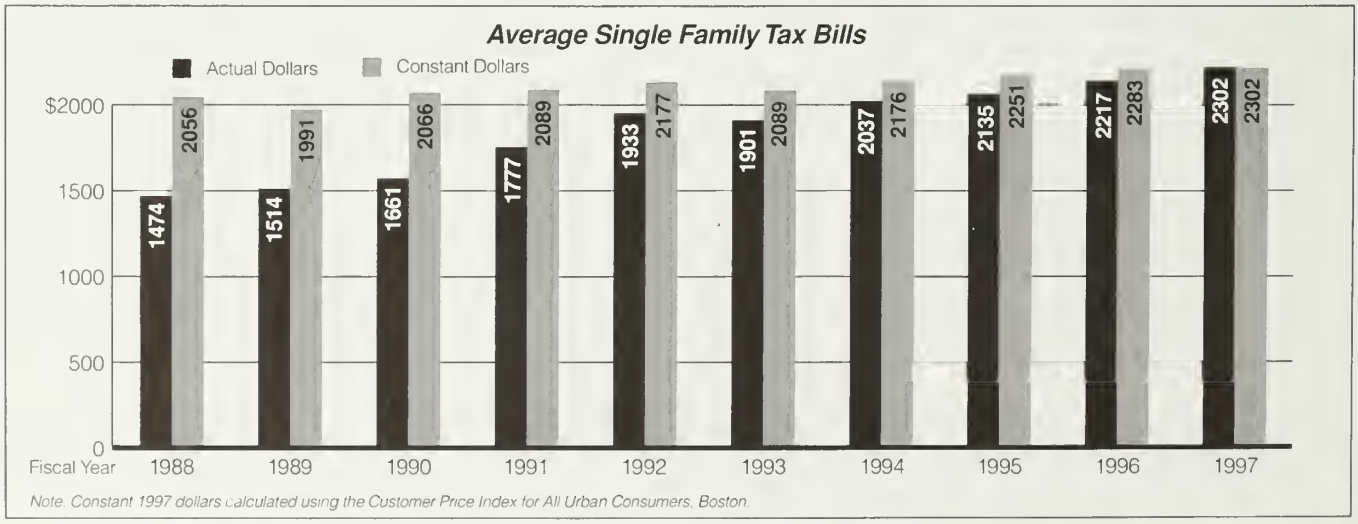

Figure 2

DLS UPDATE

Revised FY98 Cherry Sheets

As a result of the recent passage of Chapter 88 of the Acts of 1997, the Department of Revenue has issued revised FY98 Cherry Sheet estimates for two programs. First, Chapter 88 increased various veterans' property tax exemptions and provided for increased state reimbursements for these exemptions. As a result, we have revised line B-9, Exemptions: Veterans, Blind and Surviving Spouse, of the FY98 Cherry Sheet to reflect the increased reimbursement. Second, Chapter 88 provides increased funding for the Police Career Incentive account, line B-6 on the Cherry Sheet. ■

New Local Assessment Chief

The Division of Local Services (DLS) bids a fond farewell to Gary McCabe, former chief of the Bureau of Local Assessment and welcomes Marilyn H. Browne, its new chief. Gary left the Division for a position in the private sector. Gary's contributions to the assessing and appraisal community, particularly his dedication to training local officials in property appraisal techniques and his inexhaustible response to the needs of assessors statewide, will be missed.

Since joining the the Division's Bureau of Local Assessment in 1986 as a certification program manager, Marilyn has held the positions of section chief in the Technical Assistance Bureau and executive assistant to the deputy commissioner while acting as editor of *City & Town*.

Shortly before joining DLS, Marilyn was an assessor in the Town of Plympton and served on its finance committee from 1987 to 1996. She is past-president of the Association of Town Finance Committees and is currently on the board of directors. ■

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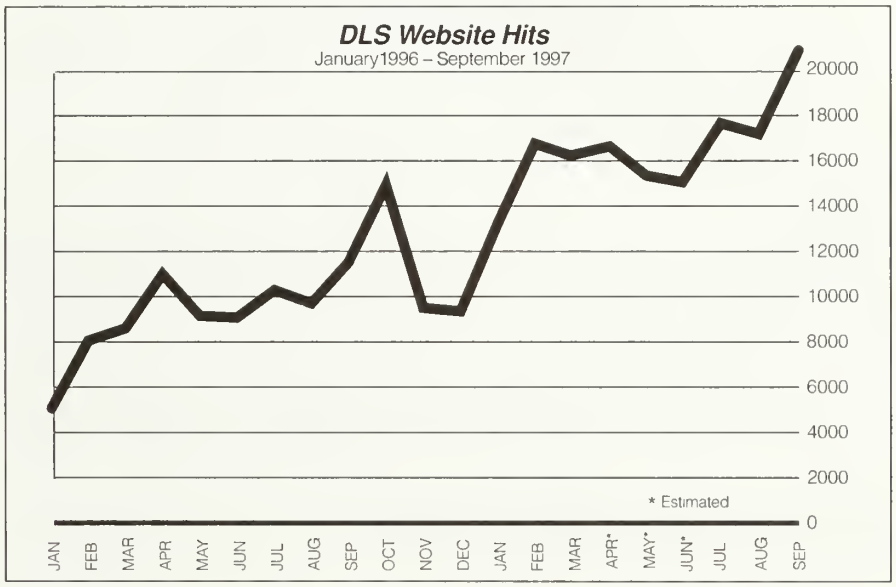

Changes to DOE's School Finance Regulations
➡ *continued from page one*

The revised regulations also set limits on how capital leases or rental costs for school buildings and non-instructional equipment are considered in the net school spending calculation. These costs will continue to be eligible to meet net school spending through FY2000. Thereafter, these costs will be reported in the *Acquisition, Improvement and Replacement of Fixed Assets* account series and will not count toward net school spending.

Further, the new regulations require that all school districts and charter schools have annual financial audits. Within nine months of the close of the fiscal year, every school district must undergo an independent audit of its financial records and submit the report to DOE. This requirement can be satisfied if the school district's records are audited as part of a general audit of the municipal financial records. Also, under the Single Audit Act, any municipality expending more than $300,000 in federal financial assistance is required to complete an audit.

Finally, outside section 68 of the 1998 state budget eliminates any state aid penalties for districts that spend at least 95 percent of their net school spending requirement annually. Prior to this change, any district that spent at least 95 percent but less than 100 percent of required net school spending in two consecutive years was penalized. Now, any unspent portion of the net school spending requirement, up to 5 percent, can be carried forward and spent in addition to the next year's requirement. The new language also establishes that carry-forward amounts are deemed appropriated for education and do not have to be reappropriated by the legislative body in the following fiscal year.

The complete text of the revised school finance regulations is available on the Department of Education's website at: http://info.doe.mass.edu. ■

Municipal Fiscal Calendar

November 1
Taxpayer: *Semi-annual Tax Bill — Deadline for First Payment*
According to M.G.L. Ch. 59, Sec. 57, this is the deadline for receipt of the first semi-annual tax bills or preliminary notices without interest, unless bills were mailed after October 1, in which case they are due 30 days after mailing.

Taxpayer: *Semi-annual Tax Bills — Application Deadline for Property Tax Abatement*
According to M.G.L. Ch. 59, Sec. 59, applications for abatements are due on Nov. 1 or 30 days after mailing, whichever is later, unless preliminary tax bills are issued. In that case, applications are due May 1, or 30 days after the actual tax bill mailing, whichever is later.

Taxpayer: *Quarterly Tax Bills — Deadline of 2nd Quarterly Tax Bill Without Interest*

Treasurer: *Deadline for Payment of First Half of County Tax*

November 15
Treasurer: *First Quarter Reconciliation of Cash (due 45 days after end of quarter)*
A reconciliation is the process of comparing the Treasurer's accounts to the Accountant's ledger balance to determine if they are consistent, and for the officials to make any necessary corrections. When the reconciliation is complete, the Accountant should indicate agreement with the Treasurer's balances. Reconciliations are required every quarter by DOR, but cities and towns should reconcile monthly for their own purposes. Municipalities may also use these reports to monitor cash practices of the Treasurer's office. If the Accountant and Treasurer are not consistently reconciling cash accounts, or if the reconciliations indicate variances, the Mayor or Selectmen should inquire as to the reasons.

November 30
Selectmen: *Review Budgets Submitted by Department Heads*
This date will vary depending on dates of town meeting.

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Data Bank Highlight

Trends in Tax Bills

This month's Focus article analyzes trends in average single family tax bills. The Division of Local Services collects data on all property class types including single family, multi-family, condominiums, open space, commercial and industrial. The Municipal Data Bank prepares a 10-year analysis of parcel counts by property type. There is also a similar analysis based on property value. Property tax trend reports and parcel count data are available on the DLS website.

To obtain Municipal Data Bank information contact. John Sanguinet at (617) 626-2355 for printed reports and data files; Burt Lewis at (617) 626-2358 for the On-Line Access System; or use the World Wide Web address below

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS World Wide Web site at **http://www.state.ma.us/dls** or by writing to PO Box 9655, Boston, MA 02114-9655.

Marilyn H. Browne, Editor

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CITY & TOWN

Mitchell Adams, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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Managing the Budget Process

written by Frederick Kingsley

The budget is an estimate of the expenses to be incurred during the fiscal year and the revenues available to meet these expenses. In many communities, the combined effect of changing demographics and limited revenues makes it increasingly difficult to fund desired local government services. This, coupled with a heightened public awareness that government must be accountable for how it spends tax dollars, puts added pressure on communities to allocate and control spending effectively. In this context, the budget must be more than a list of numbers. It must clearly articulate the challenges facing a community and the programs and financial policies designed to meet these challenges. In the article that follows, we will discuss a team approach to preparing sound revenue estimates and suggest some financial policies that communities should consider during the budget process.

Responsibility for preparing the municipal budget varies across the state depending on a community's form of government. In municipalities with centralized governments, the budget is generally prepared by the executive branch (i.e., mayor, selectmen or manager). In decentralized governments, however, responsibility for budget preparation often rests entirely with the volunteer finance committee. Regardless of how your community is organized, the onset of another budget season is a good time to review financial policies and evaluate the effectiveness of your community's process.

One of the first things to look at is the manner in which financial information is collected and distributed among the town's key policy-makers. Making good financial decisions, with realistic estimates of revenues and expenditures, involves synthesizing innumerable pieces of information into the budget document. For example, court judgments, state and federal legislative changes, deficits from the prior year, or unforeseen emergency capital needs can all affect budget planning.

Budgets implicitly establish communities' financial policies

With numerous boards, committees and officials each possessing a piece of the puzzle, the challenge is to implement an efficient, ongoing process to collect this information.

One approach is to establish a financial management team of key officials that will meet on a regular basis. In a centralized government, this is readily accomplished via monthly meetings of department heads convened by the administrator or manager. In a decentralized government, establishing a financial team may depend on enlisting the cooperation of many elected officials. In this environment, it may be beneficial to enact a by-law which prescribes the composition and role of the financial team. At a minimum, the team should play a strong role in developing revenue estimates, providing estimates of fixed costs (e.g., debt service, health insurance and retirement costs) and coordinating day-to-day financial operations.

Since the passage of Proposition 2½, municipal budgets are revenue driven. In other words, revenue estimates must be completed as a first step to provide a frame of reference for evaluating budget requests. Once the preliminary revenue estimates are completed, they may be presented in a meeting with policy-makers (selectmen, finance committee and school committee) and other interested parties so that underlying assumptions can be reviewed and understood by all key officials. Developing consensus about the community's spending limits early on in the process will focus the debate more clearly on determining spending priorities and setting financial policies. Based on the revenue estimates, budget request guidelines can be developed

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LEGAL

in Our Opinion

Nursing Home Charitable Exemption

Can a M.G.L. Ch.156B for-profit corporation receive, under certain circumstances, a charitable exemption on real estate and personal property? The Massachusetts Appeals Court recently answered this question in the affirmative in the case of *H-C Health Services, Inc. v. Board of Assessors of South Hadley*, 42 Mass. App. 596 (1997).

The operators of two nursing homes in South Hadley applied to the assessors for exemption from local taxes for fiscal years 1992 and 1993. Exemption was claimed under M.G.L. Ch.59 Sec.5 Cl.3. That statute exempts the real and personal property of a charitable organization. The assessors denied their applications since the taxpayers were organized as business corporations under M.G.L. Ch.156B. When the taxpayer appealed to the Appellate Tax Board (ATB), total abatements were granted. The town assessors thereupon appealed the ATB decision to the Appeals Court.

The Appeals Court noted that the taxpayers operated nursing homes primarily for Medicaid patients. The plaintiffs had formed "for profit" corporations under M.G.L. Ch.156B, and all the shares of the capital stock were owned by a M.G.L. Ch.180 charitable corporation. An unusual provision of each corporate charter was the expressed intent to be entitled to exemption from federal income taxes by qualifying as a charitable corporation under Section 501(c)(3) of the Internal Revenue Code. Each corporation was, in fact, granted Section 501(c)(3) status. The corporate charters also provided that no directors or stockholders could retain any profits. Furthermore, upon dissolution, the assets could not be applied to the benefit of the directors or shareholders.

The Appeals Court analyzed the language in M.G.L. Ch.59 Sec.5 Cl.3. By its terms, the statute did not require an eligible taxpayer to be incorporated under M.G.L. Ch.180 as a charitable corporation. The court agreed with the ATB's "functional test" to determine Clause 3 eligibility, i.e., the corporate charter, the by-laws and activities must show the taxpayer qualifies as a "charitable organization." According to the Appeals Court, formation under a particular chapter of the General Laws was not controlling. More persuasive to the court was the Section 501(c)(3) charitable corporation status granted by the Internal Revenue Service to the plaintiffs.

The South Hadley assessors had argued that each corporation could change its articles of organization and by-laws to permit distributions for private benefit. The Appeals court, however, merely observed that such a distribution was not permissible at the present time. If and when that event occurred, the court reasoned there would be no further exemption from local taxes.

As a matter of law, the court held that operating a nursing home for the elderly and the infirm was the work of a charitable corporation. The formation of a business corporation to operate the nursing home did not preclude a Clause 3 charitable exemption if the corporate documents and activities evidenced the entity to be a "charitable organization."

Further appellate review was denied by the Supreme Judicial Court. ■

written by James Crowley

Changes in Veterans' Exemptions

Recently, the general court reviewed the property tax exemptions for veterans (M.G.L. Ch.59, Sec.5, Cl. 22) and passed legislation which changed the exemptions, the reimbursement amounts and increased the state appropriation for these reimbursements.

Chapter 88 of the Acts of 1997 increased all Clause 22 property tax exemptions and state reimbursements for exemptions by $75 beginning in FY98. In addition, Chapter 88 provided state reimbursement for Clause 22(a-f) exemptions for the first time. It is estimated that communities grant nearly 45,000 Clause 22(a-f) exemptions annually. To fund the increased exemption amounts through state reimbursement, the FY98 state budget (Chapter 43 of the Acts of 1997) increased the funding level for the veterans, blind, and surviving spouses reimbursement program from $4.5 million to $8.2 million.

The changes in the Clause 22 property tax exemptions prompted the Division of Local Services to review the reporting requirements and procedures for reimbursing communities. This review resulted in the revision of all forms submitted by local assessors for reimbursements. The Division issued an Informational Guideline Release (IGR) 97-303 in September 1997. This IGR outlined procedural changes when reporting exemptions granted by local boards of assessors and provided copies of the revised forms.

Assessors may consider increasing their overlay reserve account to allow for these additional exemptions. ■

written by Melinda J. Ordway

Focus on Municipal Finance

Massachusetts State Revenues and Budgetary Funds

The Massachusetts Department of Revenue will collect over $13 billion in tax revenue in FY98. With the exception of approximately $110 million in revenue that is passed through to Massachusetts cities and towns (including the "local option" room occupancy and jet fuel levies), virtually all this tax revenue will fund the Commonwealth's operating budget, including local aid distributions.

"Monthly Report of Tax Collections through September 30, 1997," *Table 1*, sets out DOR revenue collections for the month of September 1997 and for FY98 year-to-date, and compares those revenues to collections in the same period for FY97. The first page of *Table 1* provides a summary view of the major components of tax revenue, highlighting the most important categories: income tax (including withholding), sales and use taxes, corporate and other business excise taxes. Page one also includes FY98 full year estimates for each of these tax categories, as well as the year-to-date "benchmark range" that DOR uses to judge whether revenue collections are on track for the full fiscal year revenue estimate.

State Revenues

As *Table 1* indicates, in the first quarter of FY98 total tax revenue collections are exhibiting healthy growth. Through September 30, 1997, FY98 year-to-date DOR receipts were up 7.4 percent from the same period in FY97. Income tax revenues, which account for approximately 50 to 60 percent of the Commonwealth's total annual tax collections, have also increased by 7.4 percent. Within the income tax category, "tax withheld" is considered by many analysts to be the most important indicator of underlying economic activity, because it is deducted from workers' paychecks and collected weekly, making it likely that any change in employment levels will be reflected almost immediately in withholding tax collections. Through September, income tax withholding payments were up 8.6 percent year-to-date, indicating that employment in Massachusetts continues to grow. It should be noted that September, December, March and June are important months for income tax receipts, because estimated income tax payments are due at the end of each quarter.

Sales, meals, and use tax collections are also considered important indicators of the state's economic health, as they reflect the growth in retail trade throughout Massachusetts. This category accounts for approximately 20 to 25 percent of state tax revenue collections. Through September 30, FY98 sales tax collections had grown by 7.7 percent, indicating that consumers continued to purchase taxable items at a good pace.

Corporate excise tax is the other major component of state tax, accounting for

continued on page six ➡

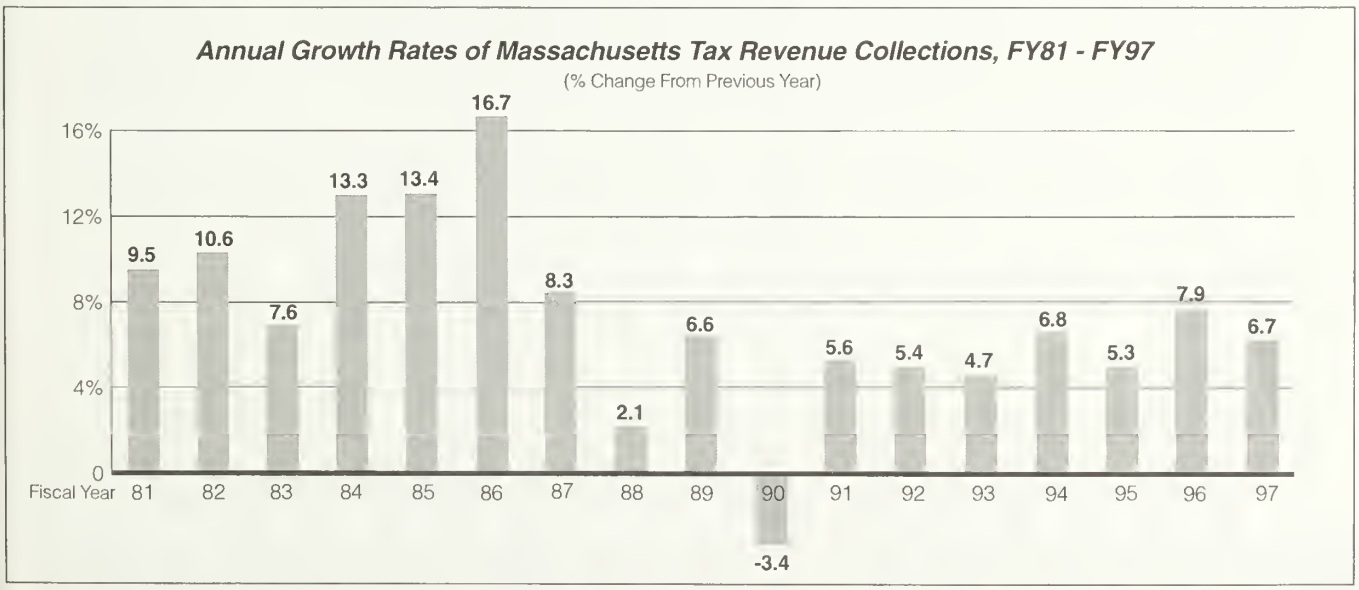

Figure 1

Massachusetts Department of Revenue

Monthly Report of Tax Collections through September 30, 1997

(add 000's)

Tax or Excise	September 1996	September 1997	1996 - 1997 Growth Amount	1996 - 1997 Growth Percent	YTD FY97	YTD FY98	FY97 - FY98 Growth Amount	FY97 - FY98 Growth Percent	Year - to - Date Benchmark Range*
TOTAL DOR TAXES FOR BUDGET	$1,276,870	$1,374,570	$97,700	7.7%	$2,874,567	$3,086,234	$211,667	7.4%	2,892,000 - 3,080,000
INCOME TAX	674,111	746,771	72,660	10.8%	1,559,167	1,675,156	115,989	7.4%	
Tax Withheld	443,648	490,402	46,753	10.5%	1,329,013	1,443,821	114,808	8.6%	
SALES & USE TAXES	224,001	245,087	21,086	9.4%	693,530	746,693	53,162	7.7%	
Tangible Property	152,780	150,389	(2,391)	-1.6%	459,305	474,509	15,204	3.3%	
CORPORATION EXCISE	159,834	168,548	8,714	5.5%	199,746	206,545	6,799	3.4%	
BUSINESS EXCISES	124,801	104,174	(20,628)	-16.5%	125,542	121,574	(3,968)	-3.2%	
OTHER EXCISES	94,123	109,991	15,868	16.9%	296,582	336,267	39,684	13.4%	

Tax or Excise	September 1996	September 1997	1996 - 1997 Growth Amount	1996 - 1997 Growth Percent	YTD FY97	YTD FY98	FY97 - FY98 Growth Amount	FY97 - FY98 Growth Percent	Actual FY97	FY98 Estimate	FY97-FY98 Growth
TOTAL DOR TAXES FOR BUDGET	$1,276,870	$1,374,570	$97,700	7.7%	$2,874,567	$3,086,234	$211,667	7.4%	$12,837,623	$13,036,700	1.6%
General Fund					1,730,019	1,835,685	105,667	6.1%	7,680,389	7,736,574	0.7%
Local Aid					980,241	1,050,234	69,992	7.1%	4,404,082	4,542,500	3.1%
Highway Fund					127,903	136,336	8,432	6.6%	514,569	518,827	0.8%
Other Funds					36,404	63,980	27,576	75.7%	238,583	238,799	0.1%
NON-DOR TAXES FOR BUDGET	$1,399	$1,749	350	25.0%	$3,530	$3,216	($314)	-8.9%	$23,471	$23,300	-0.7%
Racing	921	1,342	421	45.7%	2,443	1,952	(491)	-20.1%	10,185	10,200	0.1%
Beano 3/5ths	382	297	(85)	-22.3%	801	920	119	14.9%	3,748	3,600	-4.0%
Raffles & Bazaars	81	88	7	9.1%	265	257	(8)	-2.9%	1,023	1,000	-2.3%
Special Insurance Brokers	15	20	6	38.6%	17	84	67	396.4%	8,484	8,500	0.2%
Boxing	0	1	NA	NA	4	2	(1)	-37.0%	30	0	NA
TOTAL TAXES FOR BUDGET**	$1,278,269	$1,376,319	98,050	7.7%	$2,878,097	$3,089,451	$211,353	7.3%	$12,861,094	$13,060,000	1.5%
OTHER DOR REVENUE	$8,243	$12,544	$4,301	52.2%	$23,675	$28,620	$4,945	20.9%	$141,147	$143,200	1.5%
Local Option Taxes: Aircraft (Jet) Fuel	1,981	1,128	(853)	-43.1%	3,049	3,453	404	13.2%	13,059	13,500	3.4%
Rooms	4,088	8,609	4,521	110.6%	13,788	18,152	4,364	31.7%	55,599	55,500	-0.2%
Utility & Insurance Assessments	1	855	854	126383.2%	1,424	1,678	254	17.8%	3,386	3,500	3.4%
Urban Redevelopment Excise	329	133	(195)	-59.4%	568	337	(231)	-40.6%	38,317	39,000	1.8%
Departmental Fees, Licenses, etc.	109	280	171	156.5%	1,266	1,200	(66)	-5.2%	6,604	6,700	1.4%
County Correction Fund: Deeds	574	561	(13)	-2.3%	1,949	2,048	98	5.1%	6,969	7,000	0.5%
Abandoned Deposits (Bottle)	1,161	978	(183)	-15.8%	1,631	1,752	121	7.4%	17,213	18,000	4.6%
TOTAL TAX & OTHER REVENUE	$1,286,512	$1,388,863	$102,351	8.0%	$2,901,772	$3,118,071	$216,298	7.5%	$13,002,241	$13,203,200	1.5%

Detail may not add to total because of rounding.

* The benchmark range establishes the rate at which revenue should be received over the year to reach the annual estimate. The benchmarks for specific tax categories are available on a quarterly basis. The benchmark range is for *total taxes for budget*.

** FY97 collections are preliminary.

1996 Acts, Chapter 203, cigarette: +$.25, 15% tax on cigars, effective 10/1/96.

Tax or Excise	September 1995	September 1996	1995-1996 Growth	September 1997	1996-1997 Growth	YTD FY96	YTD FY97	FY96-FY97 Growth	YTD FY98	FY97-FY98 Growth	Actual FY97	FY98 Estimate	FY97-FY98 Growth
	September Collections					Year-to-Date Collections					Fiscal Year Collections		
INCOME TAX	$626,411	$674,111	7.6%	$746,771	10.8%	$1,492,795	$1,559,167	4.4%	$1,675,156	7.4%	$7,181,821	$7,366,000	2.6%
Estimated Payments**	231,010	255,552	10.6%	277,890	8.7%	277,356	314,187	13.3%	352,512	12.2%	1,400,759	1,417,000	1.2%
Tax Withheld	404,843	443,648	9.6%	490,402	10.5%	1,249,934	1,329,013	6.3%	1,443,821	8.6%	5,794,941	6,100,000	5.3%
Returns & Bills	13,420	14,918	11.2%	19,913	33.5%	41,519	42,003	1.2%	50,736	20.8%	819,626	674,000	-17.8%
Refunds**	22,862	40,007	75.0%	41,433	3.6%	76,014	126,036	65.8%	171,913	36.4%	833,505	825,000	-1.0%
SALES & USE TAXES	$199,256	$224,001	12.4%	$245,087	9.4%	$632,409	$693,530	9.7%	$746,693	7.7%	$2,876,066	$2,987,000	3.9%
Tangible Property	127,375	152,780	19.9%	150,389	-1.6%	412,568	459,305	11.3%	474,509	3.3%	1,921,150	2,008,000	4.5%
Services	10,948	6,418	-41.4%	20,050	212.4%	32,927	32,970	0.1%	50,977	54.6%	166,550	176,000	5.7%
Meals	31,290	31,018	-0.9%	37,032	19.4%	95,881	96,374	0.5%	106,185	10.2%	381,364	390,000	2.3%
Motor Vehicles	29,642	33,784	14.0%	37,616	11.3%	91,034	104,882	15.2%	115,022	9.7%	407,002	413,000	1.5%
CORPORATION EXCISE	$190,498	$159,834	-16.1%	$168,548	5.5%	$963,873	$199,746	-79.3%	$206,545	3.4%	$963,873	$911,000	-5.5%
Estimated Payments**	159,143	155,748	-2.1%	167,706	7.7%	965,040	212,360	-78.0%	235,144	10.7%	965,040	870,000	-9.8%
Returns	42,783	13,289	-68.9%	31,806	139.3%	389,046	37,803	-90.3%	58,591	55.0%	389,046	390,000	0.2%
Bill Payments	2,644	1,058	-60.0%	837	-20.9%	25,810	6,008	-76.7%	5,457	-9.2%	25,810	27,000	4.6%
Refunds**	14,072	10,261	-27.1%	31,800	209.9%	416,023	56,425	-86.4%	92,647	64.2%	416,023	376,000	-9.6%
BUSINESS EXCISES	$133,948	$124,801	-6.8%	$104,174	-16.5%	$143,848	$125,542	-12.7%	$121,574	-3.2%	$538,725	$612,000	13.6%
Insurance Excise	$72,115	$65,792	-8.8%	$71,950	9.4%	$73,777	$68,358	-7.3%	$73,261	7.2%	289,272	300,000	3.7%
Estimated Payments**	73,117	65,407	-10.5%	72,286	10.5%	74,694	68,357	-8.5%	73,372	7.3%			
Returns	171	386	125.9%	105	-72.7%	208	558	167.8%	682	22.3%			
Bill Payments	0	2	1034.3%	3	19.7%	105	14	-86.2%	15	1.9%			
Refunds**	1,173	4	-99.7%	443	12475.3%	1,230	572	-53.5%	808	41.4%			
Public Utility Excise	$17,512	$24,726	41.2%	$8,217	-66.8%	$17,621	$26,605	51.0%	$15,128	-43.1%	109,220	122,000	11.7%
Estimated Payments**	22,544	27,960	24.0%	9,677	-65.4%	22,795	29,842	30.9%	16,638	-44.2%			
Returns	14	3	-76.1%	94	2671.4%	35	9	-73.3%	114	1126.6%			
Bill Payments	0	0	NA	0	NA	12	0	-97.5%	83	27070.6%			
Refunds**	5,046	3,237	-35.8%	1,554	-52.0%	5,221	3,247	-37.8%	1,707	-47.4%			
Commercial Bank Excise	$24,198	$26,001	7.4%	$23,249	-10.6%	$29,089	$14,263	-51.0%	$29,626	107.7%	$98,984	$127,000	28.3%
Estimated Payments**	42,628	23,583	-44.7%	24,923	5.7%	50,341	26,580	-47.2%	31,042	16.8%			
Returns	4,917	4,434	-9.8%	435	-90.2%	4,943	4,632	-6.3%	889	-80.8%			
Bill Payments	0	0	NA	0	NA	0	8	95479.8%	17	113.3%			
Refunds**	23,347	2,016	-91.4%	2,109	4.6%	26,195	16,958	-35.3%	2,321	-86.3%			
Savings Institution Excise	$20,123	$8,283	-58.8%	$757	-90.9%	$23,360	$16,317	-30.1%	$3,560	-78.2%	$41,249	$63,000	52.7%
Estimated Payments**	26,669	10,463	-60.8%	3,875	-63.0%	35,960	21,806	-39.4%	11,105	-49.1%			
Returns	(387)	328	184.7%	423	29.0%	846	2,946	248.4%	1,237	-58.0%			
Bill Payments	7	0	-100.0%	0	NA	22	44	97.2%	0	-100.0%			
Refunds**	6,165	2,508	-59.3%	3,540	41.1%	13,467	8,479	-37.0%	8,782	3.6%			
OTHER EXCISES	$112,852	$94,123	-16.6%	$109,991	16.9%	$313,584	$296,582	-5.4%	$336,267	13.4%	$1,277,138	$1,160,700	-9.1%
Alcoholic Beverages	5,144	4,042	-21.4%	4,689	16.0%	15,308	14,815	-3.2%	15,820	6.8%	60,302	60,000	-0.5%
Cigarette	20,124	14,081	-30.0%	22,161	57.4%	61,076	51,798	-15.2%	75,608	46.0%	281,708	285,000	1.2%
Deeds	3,993	4,061	1.7%	3,882	-4.4%	12,167	13,765	13.1%	14,092	2.4%	48,332	49,000	1.4%
Estate & Inheritance	14,406	13,008	-9.7%	13,249	1.9%	40,372	44,812	11.0%	44,622	-0.4%	202,707	78,000	-61.5%
Motor Fuels	60,511	52,187	-13.8%	53,446	2.4%	162,252	150,713	-7.1%	159,796	6.0%	602,841	608,000	0.9%
Room Occupancy	8,654	6,732	-22.2%	12,545	86.3%	22,369	20,655	-7.7%	26,277	27.2%	80,544	80,000	-0.7%
Miscellaneous	20	11	-44.0%	18	55.2%	41	24	-41.1%	51	109.9%	706	700	-0.8%
TOTAL DOR TAXES FOR BUDGET	$1,262,964	$1,276,870	1.1%	$1,374,570	7.7%	$3,546,509	$2,874,567	-18.9%	$3,086,234	7.4%	$12,837,623	$13,036,700	1.6%

Details may not add to total because of rounding.

**Income Tax estimated payments and refunds include all credits to estimated payments:

September 1996	$29,876	YTD FY97	$59,987	TOTAL FY97	$139,836
September 1997	$23,732	YTD FY98	$74,558		

Corporation and business excises estimated payments and refunds include all credits to estimated payments as of January 1991

Table 1 (Please note that each Monthly Report of Tax Collections is available on the Department of Revenue website at www.state.ma.us/dor)

Massachusetts State Revenues and Budgetary Funds
➡ *continued from page three*

between 5 to 10 percent of total state tax collections. The corporate excise reflects the health of the business sector of the economy, since the tax is dependent upon the level of corporate profits. As with the personal income tax, the September, December, March and June quarters are important bellwethers, since corporate estimated payments are due in those months.

Business and other excise taxes, as well as taxes collected by other state agencies, account for the remaining 14 percent of total state tax collections. The most important of these taxes in dollar terms are the motor fuels tax ($602 million), generated primarily from a 21 cent tax on gasoline purchases, and the excise tax on insurance companies, which generates approximately $300 million.

The September report shows that in FY98 tax collections have increased at a rate greater than the estimate for the full fiscal year, which calls for annual growth of 1.5 percent over FY97. On October 15, 1997, to reflect the higher than projected collections, the Secretary of Administration and Finance raised the FY98 tax revenue estimate by $140 million.

Budgetary Funds

The first page of each monthly report *(Table 1)* also breaks out revenue collections by budgetary fund. All state revenues are deposited in one of the Commonwealth's funds (of which there are more than 40), and all state expenditures are charged to those same funds. As the September report shows, most (94 percent) of state tax revenues collected are deposited in the General and Local Aid funds. The income, sales, and corporate taxes are allocated 60 percent to the General Fund (to which is charged general government expenditures) and 40 percent to the Local Aid Fund (which pays for local aid and education distributions to cities and towns, as well as other state expenditures that benefit localities). Motor fuels tax revenues are the main source for deposits to the Highway Fund, which is used to pay for highway construction, maintenance and debt service on highway related borrowings. In Massachusetts state finance terms, the General, Local Aid and Highway funds are known as the "three major funds," and these are three funds that the Commonwealth is required to balance at the end of each fiscal year.

Of the remaining $239 million in tax revenues that are deposited in funds other than the General, Local Aid, and Highway Funds, the bulk is made up of the cigarette tax, approximately $200 million of which pays for anti-smoking and health care programs, and the room tax, approximately $30 million of which funds tourism promotion activities.

The growth in FY98 Massachusetts tax revenue receipts is a continuation of a trend. While recent growth has been well below the rates seen in the early to mid 1980's *(Figure 1)*, since FY91 state tax revenue collections have grown between 4.8 percent and 7.9 percent, with FY97 collections 6.7 percent above FY96. Since FY90, revenue has increased from $9.0 billion to $12.9 billion as indicated in *Figure 2*. Much of the revenue growth has been allocated to cities and towns, in the form of increased education and other local aid. These increases have occurred despite the 21 tax cuts that have been implemented since FY91, which have reduced Massachusetts tax collections by over $1.2 billion dollars. ■

written by DOR's Office of Tax Policy Analysis

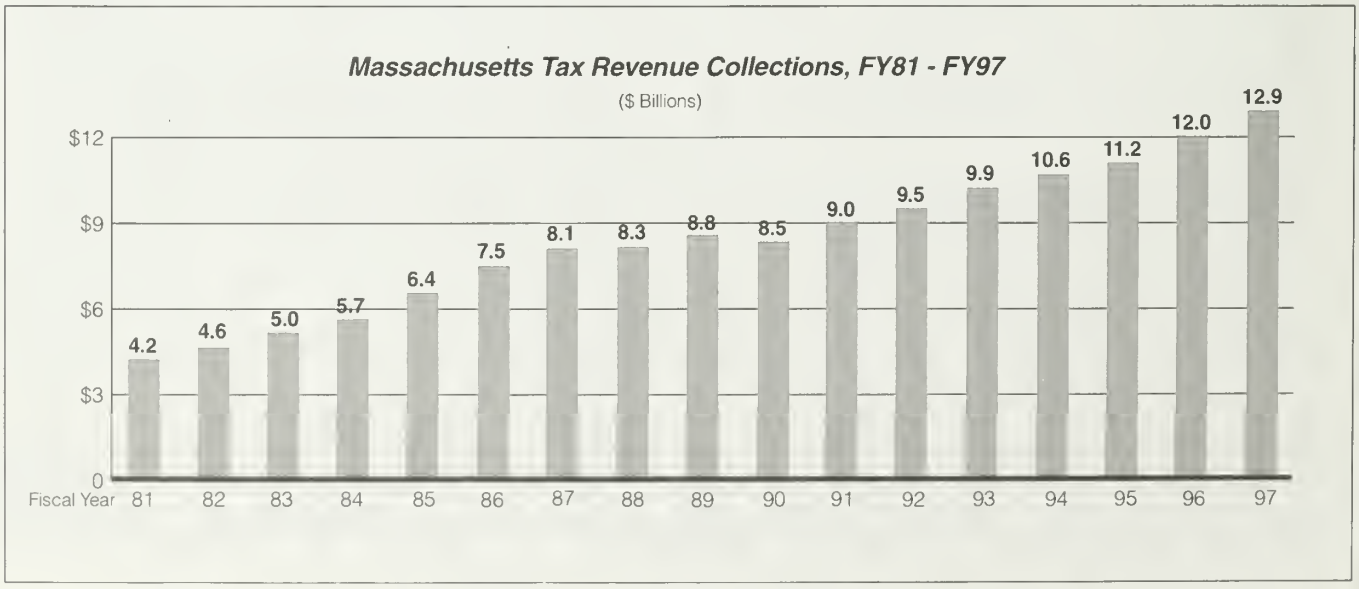

Figure 2

DLS UPDATE

Bruce Stanford Honored

Bruce H. Stanford, Tax Counsel in the Property Tax Bureau of the Division of Local Services, has received two prestigious awards for his participation and leadership in the state's Regulation Review Project. The Governor's Pride in Performance Award Program on October 9 recognized Bruce for his leadership in developing a "how to" guide to writing regulations and his contribution to the review of over 20,000 pages of Massachusetts regulations.

Pride in Performance awards are given to public employees who make meaningful contributions that distinguish them from their peers. These special awards focus attention on consistent, positive achievement by both individuals and teams.

As a member of the Regulation Review Project Team, Bruce also received a Manual Carballo Governor's Award for Excellence in Public Service. This award is given to dedicated and innovative employees who "represent the key ideals of government and strive for the highest standards of service for the people of Massachusetts." In a period of less than a year, 22 percent of the original 1600 regulations within the Code of Massachusetts Regulations were eliminated and another 49 percent were significantly decreased. (For additional information see "Cutting Red Tape – Executive Order 384." *City & Town*, Vol. 10, No. 6, July/August 1997:1.) ■

DLS Welcomes Jean McCarthy

Jean McCarthy has rejoined the Division of Local Services as Executive Assistant to Deputy Commissioner Joseph Chessey. Jean's primary responsibilities include assisting the Deputy Commissioner and overseeing media interaction, public information and training programs. Jean expressed pleasure at once again being able to work directly on local government issues.

Most recently, Jean was an appraisal officer at the Massachusetts Housing Finance Agency where, in addition to her appraisal responsibilities, she coordinated a training program in real estate appraisal. From 1980 to 1990 Jean was at the Division of Local Services serving first as special projects coordinator and then as the training coordinator. Under her leadership, the 101 Course for local assessors, the course for assessor's clerks, the course for tax collectors, and the course for treasurers were developed as well as training manuals. She also coordinated the development of a number of special workshops such as "What's New in Municipal Law." ■

➡ *continued from page one* Managing the Budget Process

to provide parameters to guide department heads in preparing their budgets.

Since the budget allocates scarce resources among many competing needs, it implicitly establishes the community's financial policies. However, in a good budget, these financial policies are stated clearly and explicitly so that those reviewing the budget can readily understand, discuss and debate these policies. Preparing written financial policies that can be applied and refined for use in future years provides a solid framework for budget decisions and promotes continuity in the planning and budgeting process. This approach is advantageous since government decisions are often based on the long-term with projects and initiatives spanning several years or benefiting future generations.

There are several areas where financial policies make sense. Communities should consider policies regarding the level of free cash and stabilization fund reserves and how these reserves are to be used. For example, it is prudent to avoid using these reserves for operating expenses as they are not "recurring" revenue sources. Maintaining free cash balances in the area of three to five percent of the budget provides funding for unforeseen or emergency expenses, reduces the need for cash flow borrowing and demonstrates to bond rating agencies that a community is living within its means. Policies on the amount needed in the stabilization fund vary depending on what big ticket items need funding in future years. For example, a community may decide to build this account aggressively in the years prior to a new school project to reduce the amount to be borrowed or to cushion the impact on the tax rate.

It is important to remember that financial goals should be tailored to meet a community's specific needs. If your community has little or no free cash, it is probably unreasonable to achieve a balance of five percent in one year. Similarly, a community that has deferred capital improvements will find it very difficult to devote even one or two percent of the budget for capital maintenance or to fund a capital budget. This does not mean that these financial goals are not worthwhile. Rather, these policies can be phased-in gradually so that they are realistic and achievable for your particular community. ■

Municipal Fiscal Calendar

December 15
Taxpayer: *Deadline for Applying for Property Tax Exemptions for Persons*
If tax bills are mailed after September 15, taxpayers have 3 months from the mailing date to file applications for exemptions.

Accountant/Superintendent/School Committee: Submit Amendments to End of School Year Report to DOE
Last filing date to impact next year's Chapter 70 State Aid.

December 31
State Treasurer: *Notification of Quarterly Local Aid Payments on or Before December 31*
Taxpayer: *Deadline for Filing Application for Abatement of Motor Vehicle Excise For Prior Calendar Year*

Water/Sewer Commissioners: Deadline for Betterments to be Included on Next Year's Tax Bill (M.G.L. Ch. 80, Sec. 13 and Ch. 83, Sec. 27)
Selectmen: *Begin to Finalize Budget Recommendation for Review by Finance Committee*

Assessors: *Mail 3-ABC Forms to All Eligible Non-Profit Organizations*

Collector: Deadline for Mailing Third Quarterly Tax Bill

9M 11/97 DC97BO4

Data Bank Highlight

Actual vs. Estimated Local Receipts

The Actual vs. Estimated Local Receipts Report shows the standard local receipts reported on the tax recapitulation sheet. This report compares three years of estimated receipts to the community's actual collections, thereby allowing local officials to evaluate the accuracy of their estimates. Local receipts are a component in balancing municipal budgets. DLS uses general and recurring receipts in the calculation of the Municipal Revenue Growth Factor.

To obtain Municipal Data Bank information contact: John Sanguinet at (617) 626-2355 for printed reports and data files; Burt Lewis at (617) 626-2358 for the On-Line Access System; or use the World Wide Web address below.

City & Town

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Mitchell Adams, Commissioner
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Audit Committees

written by Ellis Fitzpatrick

Boards of directors of many private sector companies elect to have audit committees. The "Report of the National Commission on Fraudulent Financial Reporting" (known as the Treadway Report) stated, "the board of directors of all public companies should be required by SEC rule to establish audit committees comprised solely of independent directors." The purpose of an audit committee is to work with the independent auditors to ensure that the company has accurately reported its financial information and has effective controls to safeguard the company's assets.

The Division of Local Services encourages the creation of audit committees in the public sector. An audit committee can improve the use of the audit report and overall financial management of the community. The role of the audit committee in the public sector is similar to the role in the private sector, with one major difference. Private sector performance frequently measures the "bottom line" or how much money is earned. Therefore, the audit committee's work emphasizes the review of the financial statements and controls on the financial information. In the public sector, there are other measures of performance such as quality of service, and effective use of financial resources. Therefore, an audit committee has to look beyond the "bottom line" and review other aspects of the audit report. For example, the report may show that managers are performing within the authorized budget or disclose that tax bills are not mailed on a timely basis.

There are many similarities in the composition and work of audit committees in the public and private sectors. The audit committee should be composed of individuals apart from management, so that those choosing the auditor will not themselves be audited. In a town this could be the finance committee or, in a city, the city council. The audit committee should be the major player in the procurement of the audit. The committee should monitor the progress of the audit. The committee should have direct contact with the audit firm, meeting with the firm prior to the commencement of the audit to discuss any issues it might want addressed in the audit. The audit report should be sent directly to the audit committee, with copies to the chief officials of the city or town, to ensure an objective review of the report. Once the audit committee receives the report it should meet to discuss the findings. A response from the community's management team should be solicited when the report identifies problems. If management agrees with the findings, a corrective action plan should be developed that identifies actions to be taken, who is responsible, and when the action will be completed. The audit committee should then monitor the implementation of the corrective action plan. If management disagrees with the auditor's comments, it should provide a thorough explanation for the audit committee to review and evaluate. Should the audit committee disagree with the management's explanation, it should confer with the city council/finance committee and the chief executive officials.

Effective controls safeguard assets.

Before a community establishes an audit committee, it should develop a written statement of purpose. The statement should define the committee's responsibilities and identify its members. Local officials may want to seek out citizens with special expertise to serve on the committee, such as in the fields of accounting, finance and management. Membership continuity is important so it is suggested that member's terms overlap. The audit committee meetings should occur before, during and after the audit to express expectations or concerns, check on progress and review the final auditor's report.

An audit committee can assist a community to use its audit report as an efficient, effective management tool. While audits appear to be costly, they are a necessary investment in the fiscal health of the municipality. Effective use of the audit report recommendations spearheaded by the audit committee can lead to tighter financial controls, improved financial practices, increased voter confidence and upgrade a community's bond rating. ■

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LEGAL in Our Opinion

Q: *A husband and wife owned property as tenants by the entirety. Can one spouse by deed sever the tenancy?*
A: As a general rule, both spouses must join in a deed to convey the entire estate; a husband or wife cannot independently sever a tenancy by the entirety. M.G.L. Ch.209 Sec.3 provides, however, that "transfers of real and personal property between husband and wife shall be valid to the same extent as if they were sole." In interpreting this statute prior to its amendment in 1975, the Supreme Judicial Court held that one spouse can terminate a tenancy by the entirety by conveying his or her interest in it directly to the other spouse. *Gordon v. Gordon,* 8 Mass. App. 860. A tenancy by the entirety can, therefore, be severed by a deed of both parties to a stranger, or by a deed of one spouse to the other.

Q: *Can a municipality grant abatements or discounts to water and sewer users who are similarly situated?*
A: In many letters the Department has advised communities that such a discount is not permissible in the absence of express legislative authorization. We relied on Supreme Judicial Court decisions where the Court dealt with the validity of water and sewer rates. In discussing principles governing water and sewer rates, the Court wrote that "The assessment in order to be equitable must be proportional to the benefit and not in excess of it." *Carson v. Brockton,* 175 Mass. 242, at 244. The Court, however, has stated that water and sewer rates need not be based exclusively on the volume of usage. Rates may take into account special cost factors incurred in supplying water to a certain class of users. *Souther v. Gloucester,* 187 Mass. 552; *Byors & Sons, Inc. v. Water Commissioners of Northborough,* 358 Mass. 354.

Regarding the imposition of different charges among customers, the Court wrote:

The modern tendency undoubtedly is to regard discrimination by such corporations as inconsistent with the duty owed to, and the corresponding legal right in, the public. [Citations] But even at common law it is generally recognized that discrimination of rates is permissible, within reasonable limits, *except as between consumers who receive the same service under similar conditions.* This is especially true in cases of water, gas and like companies, where a different rate may be made per unit of service to large users, or to persons making different uses of the service.... (Emphasis added.) *Brand v. Water Commissioners of Billerica,* 242 Mass. 223.

Q: *Can a community dedicate revenue from the local option room occupancy tax to any special fund?*
A: No. As a general rule, all municipal receipts are added to estimated receipts in the community's general fund as set forth in M.G.L. Ch.44 Sec.53. If the city or town adopts a local option room occupancy excise, M.G.L. Ch.64G Sec.3A provides that the local excise may not exceed four percent of the total amount of rent for each occupancy. By that statute, all revenues derived become part of the community's unrestricted revenue. Without special legislation, local room occupancy excise revenues cannot be restricted for any special purpose. Accordingly, in the case at hand, the city or town can keep track of all hotel-motel excise revenue and then appropriate an equal amount from free cash or the tax levy for any lawful purpose.

Note: *See Chapter 152 of the Acts of 1997 (the Convention Center Financing Bill) for special provisions pertaining to Boston, Cambridge, Springfield and Worcester.*

Q: *Town meeting in a separate article appropriated a specific sum of money to be used only for the salaries of athletic coaches. Can town meeting place restrictions on how the school committee spends these funds?*
A: No. Pursuant to M.G.L. Ch.71 Sec.34, "a city or town shall establish the total appropriation for the support of the public schools, but may not limit the authority of the school committee to determine expenditures within the total appropriation." In this instance, the article for coaching salaries would be considered a lawful appropriation "for the support of the public schools." Under the terms of M.G.L. Ch.71 Sec.34, the town meeting cannot direct how the school committee expends the funds. Yet, this statute further provides that a city or town appropriating authority can make "nonbinding recommendations" to the school committee.

In our view, the town meeting vote for salaries should be held a valid appropriation which merely contains advisory language.

Q: *Could a town fire department without an appropriation enter into a contract with a collection agency in connection with ambulance receivables?*
A: Yes. Pursuant to M.G.L. Ch.44 Sec.70, by vote of town meeting and with the approval of the selectmen, a department head could be authorized to enter into contracts with a collection agency to collect revenues generated by ambulance services. As a general matter, the collection agency could retain a percentage of the amounts collected. M.G.L. Ch.44 Sec.70 specifically provides, however, that a collection agreement could not apply to any Medicaid reimbursements (M.G.L. Ch.118E). If it appears that the Medicaid restriction under this statute would apply to many of the ambulance accounts receivable, it may be advisable to fund the collection agency contract with an appropriation. The collection agency would still be compensated based upon its successful collection efforts but only up to the amount of the appropriation. ■

compiled by James Crowley

Focus on Municipal Finance

FY96 Municipal Spending

Where do our local tax dollars go? Taxpayers are not the only ones to ask that question. Municipal officials look at spending trends in previous years to assist in budgeting for the next fiscal year. This article reviews FY96 operating expenditures for all 351 communities in Massachusetts. The information is from Schedule A which is a comprehensive summary of revenues, expenditures and fund balances submitted to the Division of Local Services each year by every city and town. Since Schedule A is submitted after the close of the fiscal year, FY96 is the latest year for which complete data are available.

Operating expenditures are accounted for in the General Fund. The General Fund includes revenues from local taxes, state aid and unrestricted local receipts exclusive of offsets. These revenues support basic municipal functions such as schools, public safety, and public works. The remaining funds, not included in this article, – Special Revenue, Capital Projects, Enterprise and Trust Funds – are devoted to particular purposes.

General Fund Spending

Table 1 shows statewide municipal spending by type of expenditure for FY90, FY93, FY95 and FY96 and the percent change from FY95 to FY96. In FY96 the total amount of General Fund spending was $10 billion. This represents a 6 percent increase over FY95 and a 20.1 percent increase since FY90. During the recession of the early 1990's spending remained fairly constant, increasing 1.8 percent between FY90 and FY91, decreasing 1.0 percent between FY91 and FY92, and increasing 1.3 percent between FY92 and FY93. The decrease between FY91 and FY92 coincided with state aid cuts in FY92. There was an overall increase of only 2.1 percent between FY90 and FY93. As the economy rebounded and state aid increased, municipal spending started to grow at a the rate of 6.0 percent between FY93 and FY94, and 4.8 percent between FY94 and FY95.

Table 1 further breaks down spending by functional category. In FY96, statewide total municipal spending on education was $4.6 billion or 45.9 percent of total spending. In most cases, the total reported here does not include employee benefits, property insurance and other indirect costs that are included in net school spending under education reform. If these other costs were included, the percentage spent on education would be higher. Using the current numbers, education spending increased by 7.3 percent from FY95 to FY96, and 32.9 percent from FY90. These rates, which reflect increased funding under the Education Reform Act, are far above the inflation rate of 2.9 percent (FY95-FY96) and 15.7 percent (FY90-FY96) based on the State and Local Government Implicit

continued on page six ➡

Total General Fund Expenditure by Function

State Totals, Massachusetts Cities and Towns: Selected Fiscal Years

Expenditures	FY90	FY93	FY95	FY96	FY96 Percent of Total	Change FY95 to FY96	
General Government	456,861,081	425,250,309	456,238,354	492,939,002	5.0%	36,700,648	8.0%
Police	620,844,165	634,355,748	712,861,026	751,273,186	7.5%	38,412,160	5.4%
Fire	516,595,783	512,845,770	562,154,754	583,565,653	5.9%	21,410,899	3.8%
Other Public Safety	142,709,003	129,797,324	142,091,278	143,392,654	1.4%	1,301,376	0.9%
Education	3,440,838,075	3,570,770,134	4,262,415,710	4,573,251,030	45.9%	310,835,320	7.3%
Highways	333,862,310	334,173,330	316,406,981	411,169,322	4.1%	94,762,341	29.9%
Other Public Works	426,988,871	382,508,171	395,180,294	389,903,429	3.9%	-5,276,865	-1.3%
Health and Welfare	348,983,201	283,136,216	312,041,861	325,433,032	3.3%	13,391,171	4.3%
Culture and Recreation	197,075,557	184,109,775	205,558,424	219,335,054	2.2%	13,776,630	6.7%
Debt Service	522,773,113	533,781,890	550,563,716	571,959,558	5.7%	21,395,842	3.9%
Fixed Costs	986,412,830	1,115,928,359	1,117,739,274	1,127,644,628	11.3%	9,905,354	0.9%
Intergovermental	229,356,549	300,215,014	312,124,966	313,267,390	3.1%	1,142,424	0.4%
Other	63,874,234	51,317,410	48,766,238	50,067,908	0.5%	1,301,670	2.7%
TOTAL	**8,287,174,772**	**8,458,189,436**	**9,394,142,876**	**9,953,201,846**	**100.0%**	**559,058,972**	**6.0%**

"Capital outlay and construction are excluded, as are expenditures outside the general fund, from special revenue, capital projects, trust, and enterprise funds."

Table 1

Municipal Spending

Municipality	Fy95 Total Expenditures	Fy96 Total Expenditures	Percent Change Fy95-96	Expenditures Per Capita: Total Expenditures	General Government	Police	Fire	Education	Public Works
Abington	18,505,997	19,848,456	7.3%	1,366	49	88	85	741	134
Acton	28,685,368	31,498,637	9.8%	1,693	101	87	86	1,072	128
Acushnet	9,501,691	10,295,650	8.4%	1,053	68	76	25	705	43
Adams	6,872,211	7,219,309	5.1%	803	83	105	0	232	181
Agawam	36,198,041	37,244,793	2.9%	1,390	53	81	77	717	209
Alford	578,042	670,835	16.1%	1,624	169	10	17	810	380
Amesbury	21,413,686	22,752,141	6.3%	1,455	76	92	74	767	101
Amherst	29,310,205	31,188,887	6.4%	880	56	60	57	479	38
Andover	57,661,085	60,298,675	4.6%	1,965	115	110	125	891	183
Arlington	57,715,039	59,815,438	3.6%	1,370	69	73	84	568	145
Ashburnham	5,186,465	5,438,417	4.9%	1,002	63	44	30	636	101
Ashby	2,383,492	2,580,403	8.3%	892	74	48	16	528	131
Ashfield	1,668,897	2,240,141	34.2%	1,289	64	40	12	566	159
Ashland	17,472,827	17,500,625	0.2%	1,377	67	79	81	798	119
Athol	6,157,820	6,634,211	7.7%	593	54	86	68	93	81
Attleboro	52,589,598	59,535,169	13.2%	1,529	61	87	93	779	110
Auburn	19,686,106	20,251,463	2.9%	1,350	94	94	24	717	148
Avon	7,793,572	8,281,373	6.3%	1,799	109	225	111	808	200
Ayer	12,753,374	13,223,137	3.7%	1,818	99	123	53	918	231
Barnstable	60,374,750	67,133,135	11.2%	1,554	131	123	0	855	98
Barre	4,107,470	4,186,585	1.9%	878	67	46	21	384	144
Becket	2,052,084	2,233,836	8.9%	1,479	164	28	17	730	315
Bedford	28,536,779	29,143,448	2.1%	2,161	93	105	92	958	257
Belchertown	14,011,950	15,411,898	10.0%	1,329	81	69	12	887	61
Bellingham	21,030,836	21,384,602	1.7%	1,386	63	84	39	730	173
Belmont	41,771,207	45,017,867	7.8%	1,871	79	146	104	872	318
Berkley	5,668,961	6,171,835	8.9%	1,204	50	34	21	731	89
Berlin	3,308,970	3,349,975	1.2%	1,446	82	98	38	829	150
Bernardston	1,749,494	1,847,546	5.6%	890	32	53	12	557	74
Beverly	56,714,132	59,999,248	5.8%	1,559	57	90	98	668	261
Billerica	61,113,648	66,252,109	8.4%	1,721	61	96	107	883	222
Blackstone	6,107,962	6,454,603	5.7%	782	84	83	28	423	82
Blandford	1,139,479	1,199,758	5.3%	1,048	77	7	19	642	194
Bolton	5,292,390	5,715,924	8.0%	1,756	85	120	6	1,141	176
Boston	1,389,292,112	1,440,977,071	3.7%	2,571	121	277	168	801	109
Bourne	23,221,033	24,315,620	4.7%	1,406	72	98	69	669	90
Boxborough	6,658,887	7,315,134	9.9%	1,873	142	99	91	1,037	123
Boxford	10,240,098	12,111,252	18.3%	1,451	88	77	22	772	100
Boylston	4,553,625	4,751,505	4.3%	1,266	91	90	12	818	71
Braintree	48,986,682	49,854,465	1.8%	1,443	61	134	136	740	104
Brewster	16,828,169	17,386,510	3.3%	1,919	121	120	67	878	111
Bridgewater	18,067,247	19,032,644	5.3%	817	49	74	69	398	50
Brimfield	4,112,391	4,301,127	4.6%	1,393	53	16	11	917	101
Brockton	132,348,815	145,763,561	10.1%	1,581	70	114	116	775	104
Brookfield	3,547,007	4,062,776	14.5%	1,393	64	33	7	893	76
Brookline	106,574,410	110,456,552	3.6%	2,043	134	156	160	679	146
Buckland	1,842,957	2,021,641	9.7%	1,045	87	50	0	621	149
Burlington	48,724,790	51,277,372	5.2%	2,196	98	151	145	964	267
Cambridge	207,421,558	216,302,095	4.3%	2,306	137	175	153	763	154
Canton	29,337,754	31,275,110	6.6%	1,560	67	100	104	743	124
Carlisle	9,651,828	10,062,556	4.3%	2,214	128	124	26	1,277	153
Carver	16,778,469	17,869,188	6.5%	1,604	75	85	16	1,051	66
Charlemont	1,221,839	1,511,311	23.7%	1,206	91	41	24	612	293
Charlton	6,793,216	7,434,139	9.4%	744	59	71	8	424	69
Chatham	15,161,713	15,409,814	1.6%	2,247	203	165	136	706	242
Chelmsford	49,136,099	53,099,105	8.1%	1,599	50	88	88	883	132
Chelsea	58,361,674	62,831,535	7.7%	2,265	75	136	162	901	138
Cheshire	2,221,534	2,478,774	11.6%	720	48	11	8	361	166
Chester	1,161,341	1,325,479	14.1%	1,053	79	20	11	553	285
Chesterfield	1,140,587	1,321,407	15.9%	1,194	81	11	8	743	201

Municipality	Fy95 Total Expenditures	Fy96 Total Expenditures	Percent Change Fy95-96	Expenditures Per Capita: Total Expenditures	General Government	Police	Fire	Education	Public Works
Chicopee	89,281,577	73,939,576	6.7%	1,346	57	89	99	670	74
Chilmark	2,521,008	2,782,652	10.4%	3,781	475	307	52	1,167	492
Clarksburg	1,890,467	1,817,224	-3.9%	1,076	92	13	9	778	93
Clinton	16,448,220	17,592,290	7.0%	1,342	67	88	80	725	86
Cohasset	13,599,604	14,310,582	5.2%	2,024	155	129	170	966	106
Colrain	1,556,253	1,602,124	2.9%	872	68	20	14	589	114
Concord	31,670,777	33,720,182	6.5%	1,902	124	100	94	1,082	98
Conway	2,393,303	2,671,888	11.6%	1,643	74	11	9	906	200
Cummington	1,024,767	1,029,860	0.5%	1,295	92	19	15	735	261
Dalton	6,966,098	7,207,148	3.5%	1,034	49	69	0	593	153
Danvers	42,587,267	40,734,852	-4.3%	1,677	231	122	105	668	283
Dartmouth	28,419,073	30,860,333	8.6%	1,104	70	108	0	649	85
Dedham	37,927,392	39,335,590	3.7%	1,658	69	136	126	682	264
Deerfield	6,096,784	6,456,764	5.9%	1,303	62	57	0	779	111
Dennis	21,650,125	23,360,596	7.9%	1,633	140	144	129	627	163
Dighton	5,395,754	5,654,564	4.8%	968	58	88	45	575	85
Douglas	7,744,592	8,451,406	9.1%	1,420	59	90	9	851	86
Dover	10,217,134	10,834,367	6.0%	2,048	143	152	32	1,144	207
Dracut	24,705,926	26,285,248	6.4%	956	52	70	54	539	119
Dudley	4,922,058	5,384,939	9.4%	560	32	77	29	270	58
Dunstable	2,638,311	3,138,364	19.0%	1,252	73	80	5	847	94
Duxbury	25,354,635	25,229,812	-0.5%	1,699	84	132	86	993	130
E Bridgewater	16,874,124	17,936,344	6.3%	1,499	77	100	67	885	75
E Brookfield	1,409,737	1,671,002	18.5%	828	52	69	11	423	163
E Longmeadow	18,676,056	19,578,851	4.8%	1,418	58	83	31	849	115
Eastham	10,157,393	10,008,201	-1.5%	2,089	149	184	170	758	108
Easthampton	17,396,319	18,270,350	5.0%	1,163	45	79	71	631	50
Easton	25,581,490	27,074,994	5.8%	1,302	92	97	76	717	68
Edgartown	11,551,275	12,114,506	4.9%	3,552	304	260	37	1,287	432
Egremont	1,955,012	2,031,608	3.9%	1,654	159	103	22	823	323
Erving	2,560,476	2,766,880	8.1%	2,024	171	74	45	1,341	150
Essex	4,085,469	4,462,113	9.2%	1,335	109	147	20	691	157
Everett	62,182,994	64,448,383	3.6%	1,839	81	134	131	626	139
Fairhaven	18,058,952	18,463,233	2.2%	1,152	58	87	48	687	95
Fall River	116,060,248	124,267,186	7.1%	1,363	53	115	112	650	57
Falmouth	49,603,044	52,499,951	5.8%	1,747	72	105	103	832	192
Fitchburg	54,200,716	58,933,324	8.7%	1,477	52	111	111	661	198
Florida	1,369,071	1,401,238	2.3%	1,914	89	2	143	1,082	379
Foxborough	21,821,085	23,286,604	6.7%	1,481	68	91	74	862	68
Framingham	94,993,429	103,684,809	9.1%	1,611	72	94	115	783	138
Franklin	28,334,689	32,100,445	13.3%	1,241	58	73	63	714	118
Freetown	8,530,506	9,127,796	7.0%	1,046	53	73	39	629	77
Gardner	23,056,923	23,900,204	3.7%	1,185	62	77	87	558	60
Gay Head	1,127,707	1,157,388	2.6%	5,167	1,091	625	76	1,366	305
Georgetown	8,305,714	9,372,826	12.8%	1,348	64	95	17	761	62
Gill	1,166,972	1,275,390	9.3%	807	92	24	26	432	144
Gloucester	39,589,199	43,477,133	9.8%	1,491	100	116	122	712	109
Goshen	952,584	1,059,365	11.2%	1,249	82	39	28	645	255
Gosnold	490,806	548,358	11.7%	5,772	819	128	251	675	2,378
Grafton	14,886,326	15,130,676	1.6%	1,148	65	76	10	699	91
Granby	6,639,565	6,915,406	4.2%	1,190	67	88	13	815	36
Granville	2,319,319	2,279,212	-1.7%	1,633	71	25	17	877	169
Gt Barrington	8,747,818	10,954,181	25.2%	1,431	78	91	17	716	86
Greenfield	25,323,579	26,483,599	4.6%	1,423	67	87	61	648	131
Groton	10,229,534	11,110,003	8.6%	1,296	81	87	35	689	107
Groveland	5,602,986	6,054,724	8.1%	1,098	64	73	14	587	135
Hadley	5,082,770	6,033,369	18.7%	1,390	110	81	14	740	81
Halifax	7,740,489	8,296,871	7.2%	1,220	79	85	49	649	79
Hamilton	9,760,702	10,239,697	4.9%	1,374	73	110	25	829	137
Hampden	5,038,146	5,056,740	0.4%	1,065	55	117	4	660	68

Municipality	Fy95 Total Expenditures	Fy96 Total Expenditures	Percent Change Fy95-96	Expenditures Per Capita: Total Expenditures	General Government	Police	Fire	Education	Public Works
Hancock	818,005	870,991	6.5%	1,469	99	0	23	1,066	218
Hanover	19,250,336	20,296,922	5.4%	1,596	92	111	77	909	119
Hanson	10,127,478	10,530,648	4.0%	1,117	103	106	83	464	134
Hardwick	2,119,474	2,310,711	9.0%	909	76	57	20	496	161
Harvard	9,854,274	10,216,240	3.7%	882	75	31	7	449	71
Harwich	23,561,097	24,941,314	5.9%	2,235	105	160	154	766	238
Hatfield	3,732,653	4,104,200	10.0%	1,268	91	27	12	750	117
Haverhill	70,216,839	77,143,211	9.9%	1,448	70	98	100	711	65
Hawley	382,724	441,687	15.4%	1,343	101	5	33	701	376
Heath	996,148	1,066,624	7.1%	1,447	137	17	25	686	352
Hingham	31,133,540	32,906,050	5.7%	1,632	67	125	140	852	125
Hinsdale	1,734,613	1,785,317	2.9%	945	82	22	13	599	147
Holbrook	15,327,691	14,606,332	-4.7%	1,319	53	92	101	599	114
Holden	15,945,433	16,356,822	2.6%	1,096	56	70	22	687	97
Holland	2,712,237	2,751,964	1.5%	1,299	101	21	18	920	121
Holliston	19,107,419	20,210,468	5.8%	1,523	57	104	38	1,076	137
Holyoke	69,901,728	77,076,119	10.3%	1,764	59	160	134	954	90
Hopedale	6,929,391	7,795,705	12.5%	1,385	65	76	47	816	60
Hopkinton	15,891,210	18,322,993	15.3%	1,764	81	92	58	986	168
Hubbardston	2,647,076	2,741,368	3.6%	829	100	54	35	422	103
Hudson	25,991,559	27,732,095	6.7%	1,574	61	91	93	861	157
Hull	16,865,818	17,798,455	5.5%	1,704	75	129	153	747	69
Huntington	1,619,632	1,706,476	5.4%	805	70	19	9	509	126
Ipswich	17,301,704	17,292,884	-0.1%	1,415	77	97	71	807	171
Kingston	13,517,345	15,288,883	13.1%	1,486	97	133	73	659	144
Lakeville	8,710,069	9,491,706	9.0%	1,122	64	90	35	627	54
Lancaster	4,966,819	5,328,518	7.3%	821	59	64	12	496	55
Lanesborough	4,190,412	4,342,428	3.6%	1,424	78	66	17	917	114
Lawrence	101,982,395	116,074,876	13.8%	1,685	53	91	86	1,029	77
Lee	8,432,342	8,451,386	0.2%	1,469	68	93	10	908	77
Leicester	12,272,982	13,192,878	7.5%	1,281	68	75	12	784	64
Lenox	8,602,582	9,835,835	14.3%	1,953	120	95	7	1,090	83
Leominster	41,001,408	46,166,640	12.6%	1,187	38	92	99	638	86
Leverett	2,190,680	2,337,063	6.7%	1,278	58	26	13	890	147
Lexington	56,763,453	59,908,364	5.5%	2,040	87	97	94	1,192	188
Leyden	789,460	827,576	4.8%	1,194	95	22	18	636	233
Lincoln	12,805,702	13,930,646	8.8%	1,777	142	84	89	773	158
Littleton	11,931,066	13,091,736	9.7%	1,719	111	121	43	845	143
Longmeadow	24,356,626	25,977,308	6.7%	1,736	73	109	55	1,066	100
Lowell	150,310,698	166,890,825	11.0%	1,653	72	120	97	814	123
Ludlow	24,045,081	25,386,591	5.6%	1,354	61	78	60	767	140
Lunenburg	10,872,329	11,613,714	6.8%	1,261	52	61	30	810	75
Lynn	129,048,502	139,457,620	8.1%	1,735	74	124	144	786	123
Lynnfield	16,944,394	17,864,153	5.4%	1,599	95	115	55	889	138
Malden	76,611,528	81,466,988	6.3%	1,544	70	106	113	554	106
Manchester	9,192,198	10,411,124	13.3%	1,951	119	148	89	854	207
Mansfield	28,814,819	31,237,786	8.4%	1,682	77	91	81	900	106
Marblehead	27,952,547	29,675,176	6.2%	1,490	60	96	87	705	115
Marion	8,457,509	8,795,241	4.0%	1,813	159	148	29	884	177
Marlborough	46,801,412	49,996,706	6.8%	1,527	86	126	128	767	187
Marshfield	30,261,278	31,745,711	4.9%	1,402	59	87	94	854	66
Mashpee	19,713,689	20,536,143	4.2%	2,350	167	176	149	987	185
Mattapoisett	8,487,429	8,819,397	3.9%	1,440	84	138	20	816	95
Maynard	16,549,752	16,774,010	1.4%	1,618	72	119	100	751	222
Medfield	17,346,477	19,317,656	11.4%	1,710	75	105	18	982	156
Medford	71,814,530	74,696,957	4.0%	1,328	42	119	121	536	108
Medway	15,317,502	15,801,550	3.2%	1,413	59	76	17	925	147
Melrose	36,192,219	38,026,379	5.1%	1,386	61	88	90	656	122
Mendon	4,053,628	4,339,476	7.1%	1,006	72	85	20	593	81
Merrimac	6,152,508	6,362,000	3.4%	1,144	46	61	18	496	184

Municipality	Fy95 Total Expenditures	Fy96 Total Expenditures	Percent Change Fy95-96	Total Expenditures	Expenditures Per Capita General Government	Police	Fire	Education	Public Works
Methuen	51,349,078	53,919,597	5.0%	1,324	54	85	108	688	111
Middleborough	25,568,128	27,421,929	7.3%	1,448	85	88	65	858	61
Middlefield	510,373	585,004	14.6%	1,324	138	9	11	674	317
Middleton	7,398,291	8,082,493	9.2%	1,482	101	109	115	737	116
Milford	34,966,275	37,448,617	7.1%	1,487	68	98	74	834	108
Millbury	14,012,501	14,521,177	3.6%	1,175	71	90	17	651	98
Millis	10,599,704	11,052,060	4.3%	1,403	79	89	17	751	82
Millville	1,937,750	2,046,563	5.6%	852	121	73	46	444	95
Milton	41,194,776	38,054,179	-7.6%	1,475	53	138	103	694	105
Monroe	292,315	305,299	4.4%	2,702	190	0	12	1,102	978
Monson	11,020,986	11,807,504	7.1%	1,488	58	75	11	802	123
Montague	7,495,317	7,868,784	5.0%	940	77	95	0	426	139
Monterey	1,557,134	1,547,698	-0.6%	1,937	200	49	28	901	481
Montgomery	764,233	731,262	-4.3%	947	79	3	8	577	175
Mt Washington	277,846	315,564	13.6%	2,391	515	11	0	560	875
Nahant	5,792,798	6,154,011	6.2%	1,627	122	138	97	542	198
Nantucket	28,161,164	29,452,897	4.6%	4,187	311	262	171	1,184	220
Natick	51,867,062	55,140,095	6.3%	1,767	92	102	119	740	191
Needham	55,274,272	51,530,458	-6.8%	1,857	90	107	135	854	143
New Ashford	236,760	275,579	16.4%	1,514	93	0	25	1,056	222
New Bedford	143,377,959	155,080,906	8.2%	1,592	66	128	109	823	122
New Braintree	730,337	776,202	6.3%	830	87	18	13	491	143
New Marlborough	1,950,752	2,119,537	8.7%	1,686	120	18	19	1,025	292
New Salem	1,038,467	1,066,598	2.7%	1,301	136	19	29	695	107
Newbury	9,020,986	8,602,500	-4.6%	1,453	83	106	37	659	103
Newburyport	24,713,234	24,324,520	-1.6%	1,477	74	104	112	742	122
Newton	132,927,356	138,917,152	4.5%	1,732	100	116	114	855	204
Norfolk	12,400,599	13,584,592	9.5%	1,318	73	99	30	682	101
N Adams	22,756,809	24,681,300	8.5%	1,553	61	79	68	751	180
N Andover	34,720,765	37,320,565	7.5%	1,581	57	93	99	762	178
N Attleboro	30,888,614	32,690,170	5.8%	1,287	50	88	83	683	45
N Brookfield	5,364,252	5,959,663	11.1%	1,237	50	45	10	826	71
N Reading	19,927,186	21,543,071	8.1%	1,698	104	115	112	828	166
Northampton	39,690,294	40,983,142	3.3%	1,419	85	96	73	655	84
Northborough	18,130,585	19,624,307	8.2%	1,561	78	92	44	884	157
Northbridge	13,774,521	15,242,889	10.7%	1,124	46	73	26	674	103
Northfield	3,145,733	3,191,058	1.4%	1,108	69	39	16	539	197
Norton	17,979,852	19,747,148	9.8%	1,276	61	65	73	739	72
Norwell	16,131,712	17,523,775	8.6%	1,834	118	116	69	1,073	109
Norwood	72,657,968	70,776,338	-2.6%	2,451	79	131	101	706	1,135
Oak Bluffs	8,705,959	10,292,940	18.2%	3,395	436	264	36	1,248	243
Oakham	1,156,299	1,287,491	11.3%	790	54	38	21	505	79
Orange	9,444,380	10,029,686	6.2%	1,341	50	65	41	805	161
Orleans	13,487,079	13,829,652	2.5%	2,265	202	219	154	736	172
Otis	2,055,246	2,174,271	5.8%	2,032	219	23	39	1,099	492
Oxford	14,764,138	16,039,799	8.6%	1,239	89	86	10	784	70
Palmer	17,681,636	18,612,169	5.3%	1,557	58	66	0	759	140
Paxton	6,427,762	6,746,919	5.0%	1,647	60	80	18	605	709
Peabody	67,636,803	78,614,654	16.2%	1,635	65	112	94	663	301
Pelham	1,644,950	1,762,911	7.2%	1,236	91	48	20	841	129
Pembroke	18,748,892	20,088,018	7.1%	1,272	52	94	82	750	99
Pepperell	8,324,370	9,114,958	9.5%	874	75	70	12	487	77
Peru	774,297	868,585	12.2%	1,152	96	14	13	698	211
Petersham	1,299,557	1,427,629	9.9%	1,237	73	47	16	874	126
Phillipston	973,962	994,923	2.2%	622	72	28	25	294	93
Pittsfield	71,274,845	72,122,284	1.2%	1,550	82	96	96	671	205
Plainfield	798,868	796,694	-0.3%	1,315	161	4	10	595	338
Plainville	8,837,859	8,688,860	-1.7%	1,210	83	112	54	663	82
Plymouth	72,858,705	77,742,434	6.7%	1,622	59	125	115	955	126
Plympton	3,264,020	3,509,208	7.5%	1,357	70	159	26	801	131
Princeton	4,467,016	4,824,712	8.0%	1,462	83	84	24	742	193
Provincetown	12,992,603	13,823,673	6.4%	3,777	370	283	46	962	326
Quincy	138,396,068	147,443,672	6.5%	1,726	55	156	137	529	173
Randolph	39,879,678	42,308,945	6.1%	1,386	47	92	74	716	102
Raynham	10,629,744	10,858,658	2.2%	1,045	65	147	85	545	72
Reading	33,942,491	35,898,303	5.8%	1,572	69	104	90	800	134
Rehoboth	8,488,494	9,221,602	8.6%	994	68	109	18	594	82
Revere	65,626,083	71,448,440	8.9%	1,706	141	122	119	602	123
Richmond	2,384,357	2,557,610	7.3%	1,562	91	1	15	992	188
Rochester	6,363,009	6,862,215	7.8%	1,581	74	60	15	1,054	68
Rockland	21,976,755	25,634,338	16.6%	1,508	50	98	86	889	73
Rockport	13,717,694	14,534,450	6.0%	1,927	183	111	22	666	270
Rowe	1,561,036	1,669,234	6.9%	4,428	339	37	93	2,297	809
Rowley	6,099,761	6,260,252	2.6%	1,218	73	95	30	699	71
Royalston	706,944	766,217	8.4%	639	51	17	27	138	273
Russell	1,385,060	1,406,563	1.6%	881	96	3	15	535	117
Rutland	4,555,815	4,403,939	-3.3%	859	44	35	20	511	114
Salem	57,605,442	62,911,060	9.2%	1,658	90	139	136	670	107
Salisbury	7,882,366	8,394,887	6.5%	1,195	79	167	59	639	105
Sandisfield	1,126,181	1,213,293	7.7%	1,833	177	23	66	905	511
Sandwich	27,976,315	28,982,042	3.6%	1,655	73	88	84	821	109
Saugus	35,239,071	36,735,837	4.2%	1,408	71	113	91	639	114
Savoy	832,979	840,818	0.9%	1,240	74	2	7	844	179
Scituate	25,005,009	28,684,757	14.7%	1,680	67	98	140	790	222
Seekonk	17,836,143	18,828,443	5.6%	1,421	76	130	54	862	95
Sharon	28,088,818	29,246,734	4.1%	1,770	101	96	66	889	170
Sheffield	4,133,426	4,270,427	3.3%	1,445	148	45	2	1,026	111
Shelburne	1,811,576	1,970,110	8.8%	974	93	45	0	545	160
Sherborn	9,349,753	9,805,934	4.9%	2,412	121	173	30	1,356	224
Shirley	6,241,044	6,683,219	7.1%	902	60	71	16	520	57
Shrewsbury	32,970,963	33,781,083	2.5%	1,276	58	70	57	709	108
Shutesbury	2,304,393	2,831,490	22.9%	1,670	89	25	17	917	178
Somerset	23,891,166	24,283,055	1.6%	1,369	54	87	68	860	110
Somerville	107,720,480	110,562,780	2.6%	1,486	130	106	102	447	96
South Hadley	17,853,515	18,907,119	5.9%	1,118	55	78	0	653	54
Southampton	5,129,633	5,978,452	16.5%	1,249	70	61	19	738	84
Southborough	11,176,541	12,187,246	9.0%	1,680	133	102	76	931	132
Southbridge	21,959,632	22,274,755	1.4%	1,274	38	72	60	793	81
Southwick	6,832,561	7,364,756	7.8%	939	102	113	14	442	90
Spencer	6,827,188	7,318,847	7.2%	612	34	48	11	283	95
Springfield	278,022,962	288,043,770	3.6%	1,903	71	156	114	861	102
Sterling	11,687,864	7,576,070	-35.2%	1,120	56	93	20	680	138
Stockbridge	3,198,319	3,363,101	5.2%	1,431	158	131	20	655	254
Stoneham	29,289,750	30,184,038	3.1%	1,368	61	115	93	659	108
Stoughton	35,459,534	36,789,058	3.7%	1,344	50	97	93	746	87
Stow	7,938,029	8,430,114	6.2%	1,488	94	125	45	948	98
Sturbridge	10,459,279	11,097,323	6.1%	1,409	84	89	44	891	99
Sudbury	30,415,722	33,125,008	8.9%	2,222	82	102	108	1,339	131
Sunderland	3,627,965	3,828,812	5.5%	1,091	62	49	16	578	123
Sutton	9,745,050	10,327,665	6.0%	1,422	71	87	9	833	83
Swampscott	24,647,143	26,099,884	5.9%	1,915	73	141	138	784	255
Swansea	16,927,565	17,624,771	4.1%	1,136	52	93	18	711	102
Taunton	67,799,589	74,040,115	9.2%	1,430	59	106	112	659	140
Templeton	3,889,313	3,890,326	0.0%	560	45	52	9	220	64
Tewksbury	40,102,940	43,677,879	8.9%	1,542	60	110	96	753	204
Tisbury	9,386,194	10,234,824	9.0%	3,148	238	235	21	1,361	288
Tolland	451,198	715,518	58.6%	2,393	266	64	66	434	1,108
Topsfield	7,893,174	8,470,625	7.3%	1,427	95	115	41	791	131
Townsend	7,891,668	8,378,027	6.2%	941	44	72	17	585	80
Truro	5,220,229	5,512,121	5.6%	3,231	318	431	58	1,003	284
Tyngsborough	13,319,063	14,154,708	6.3%	1,486	61	95	27	795	124
Tyringham	667,108	683,346	2.4%	1,872	223	9	23	903	402
Upton	5,055,958	5,443,625	7.7%	1,041	63	106	23	500	204
Uxbridge	13,248,339	15,025,425	13.4%	1,376	57	85	21	763	156
Wakefield	35,350,615	33,979,346	-3.9%	1,379	61	98	90	686	94
Wales	1,847,851	1,958,203	6.0%	1,248	62	12	13	922	114
Walpole	28,702,964	30,049,527	4.7%	1,364	71	88	54	821	111
Waltham	72,571,934	79,367,317	9.4%	1,392	95	136	132	577	148
Ware	11,329,641	12,288,482	8.5%	1,253	51	68	47	726	134
Wareham	27,692,571	29,685,793	7.2%	1,525	105	118	10	833	65
Warren	3,399,688	3,612,264	6.3%	803	88	54	26	393	110
Warwick	790,454	890,446	12.6%	1,166	80	22	6	614	316
Washington	641,231	710,893	10.9%	1,132	109	8	11	628	279
Watertown	51,333,093	54,452,847	6.1%	1,676	64	117	124	550	187
Wayland	27,561,316	28,422,374	3.1%	2,381	112	104	100	1,262	123
Webster	16,348,370	17,731,613	8.5%	1,101	51	74	15	604	85
Wellesley	45,812,646	47,363,653	3.4%	1,768	85	103	109	818	142
Wellfleet	7,062,739	7,232,326	2.4%	2,700	284	311	143	949	248
Wendell	1,166,213	1,190,633	2.1%	1,249	112	19	10	591	241
Wenham	5,166,245	5,460,569	5.7%	1,237	96	144	42	542	182
W Boylston	7,512,251	8,607,914	14.6%	1,302	78	91	20	686	126
W Bridgewater	9,555,591	10,657,846	11.5%	1,618	85	162	68	881	75
W Brookfield	2,315,072	2,412,955	4.2%	671	79	54	13	337	89
W Newbury	4,545,653	4,880,646	7.4%	1,286	107	95	30	604	140
W Springfield	40,040,000	42,411,016	5.9%	1,126	40	91	70	480	161
W Stockbridge	2,218,340	2,552,439	15.1%	1,743	99	60	21	972	424
W Tisbury	5,218,476	5,755,445	10.3%	2,778	206	156	46	1,876	86
Westborough	27,451,917	30,212,605	10.1%	2,071	98	86	71	1,094	147
Westfield	52,869,866	55,785,467	5.5%	2,114	88	122	125	1,095	90
Westford	26,161,106	27,511,376	5.2%	1,511	54	96	41	867	135
Westhampton	1,920,150	2,180,007	13.5%	1,530	47	17	30	796	204
Westminster	6,222,661	6,750,682	8.5%	1,036	67	86	35	544	104
Weston	27,886,464	30,364,358	8.9%	2,923	117	178	174	1,364	301
Westport	15,086,617	15,687,803	4.0%	1,121	64	82	66	634	62
Westwood	25,676,988	27,563,455	7.3%	2,147	127	131	122	1,175	191
Weymouth	60,434,708	64,967,569	7.5%	1,185	42	101	88	614	93
Whately	2,324,442	2,578,283	10.9%	1,797	107	18	18	915	185
Whitman	11,654,861	12,362,533	6.1%	910	54	97	84	406	107
Wilbraham	14,747,413	15,225,531	3.2%	1,223	75	92	84	704	57
Williamsburg	2,755,951	2,888,474	4.8%	1,114	50	26	11	700	125
Williamstown	8,225,242	8,712,642	5.9%	1,080	74	58	0	658	110
Wilmington	33,927,013	35,255,109	3.9%	1,810	170	117	87	826	185
Winchendon	12,597,933	13,960,569	10.8%	1,564	60	70	26	911	101
Winchester	38,639,437	40,688,471	5.3%	2,008	166	127	108	796	199
Windsor	854,707	898,576	5.1%	1,167	82	12	10	690	266
Winthrop	21,197,045	22,635,983	6.8%	1,302	63	99	100	621	108
Woburn	58,943,784	61,670,878	4.6%	1,692	53	139	118	704	134
Worcester	245,253,834	272,027,058	10.9%	1,631	59	128	129	879	86
Worthington	1,179,202	1,314,821	11.5%	1,090	93	7	5	671	189
Wrentham	11,543,744	12,565,588	8.9%	1,267	89	79	65	751	118
Yarmouth	30,634,369	33,355,162	8.9%	1,509	80	143	96	576	116
State Totals	**9,394,142,876**	**9,953,201,848**	**6.0%**	**1,639**	**81**	**124**	**96**	**753**	**132**

Table 2

FY96 Municipal Spending
➡ *continued from page three*

Price Deflator from the U.S. Department of Commerce. Education together with Police, Intergovernmental, Debt Service and Fixed Costs have shown increases every year except FY92 when a recession and a cut in state aid lowered overall municipal spending.

Highway expenditures increased the most from FY95 to FY96. In FY95 they were 3.3 percent of total spending, or $316 million. In FY96 they were 4.1 percent of total spending, or $411 million, a 30.0 percent increase in one year. Since snow and ice removal expenses are reported as highway expenditures, highway expenditures are heavily dependent on weather conditions. Snow and ice removal expenses were $34 million in FY95, a year with a relatively light snowfall. They were $112 million in FY96, a year with a record-breaking snowfall. This increase of $78 million accounted for 82.9 percent of the total increase in highway expenditures between FY95 and FY96.

After Education the largest expenditure, Fixed Costs, accounted for 11.3 percent of total expenditures in FY96, or $1.1 billion. Fixed costs are mainly employee benefits that communities must provide and over which they have little control. *Table 3* breaks fixed costs into eight functional categories: retirement, health insurance, unemployment, Medicare, liability insurance, workers compensation, other employee benefits and life insurance. The amount devoted to retirement contributions and health insurance made up approximately 90.9 percent of total fixed cost spending or slightly over $1 billion. These costs have increased 1.2 percent since FY95 and 17.3 percent since FY90. This is less than the 6.0 percent and 20.1 percent increases in overall municipal General Fund spending for the same periods. It is also less than inflation since FY95 (2.9 percent) and only a little above inflation since FY90 (15.7 percent).

After Fixed Costs, the largest expenditures were Police and Fire at 7.5 percent or $751 million and 5.9 percent or $583 million respectively, making up 13.4 percent of total spending at $1.3 billion. Between FY95 and FY96 they increased 5.4 percent and 3.8 percent. Since FY90 police and fire spending have increased 21.0 percent and 12.9 percent.

Table 2 compares FY96 to FY95 total spending in dollars and percent change for the 351 communities. This table further presents expenditures by major functional categories in per capita dollars using 1995 population in the per capita calculation. Communities with independent fire districts which are separately taxed have no expenditures listed for fire. A few very small communities have no expenditures listed for police since they rely on the state police. Education expenditures for cities and towns in regional school districts reflect local contributions to the districts and do not include state aid which is distributed directly to the district.

Statewide, communities spent $1,639 per capita in municipal services, with $753 per capita going to education. Nine out of the ten municipalities with the highest per capita expenditures are on Cape Cod or the Islands. These towns have a higher population in the summer than year-round. For part of the year services are provided to people not included in the year-round population figures used to calculate per capita costs. The one inland town included in the top ten is Rowe. Historically its tax base has been bolstered by having a nuclear power plant. The five highest were Gosnold (the Elizabeth Islands including Cuttyhunk) at $5,772, followed by Gay Head at $5,167, Nantucket at $4,187, Rowe at $4,428, and Chilmark at $3,781.

All ten of the communities with the lowest per capita expenditures are members of fully regionalized school districts. Since state education aid is sent directly to regional school districts, none of this aid is reported in the municipal financial Schedule A summaries. The five communities with the lowest per capita expenditures were Dudley and Templeton at $560, followed by Athol at $593, Spencer at $612, and Phillipston at $622. ■

Prepared by John Sanguinet and Stan Nyberg with assistance from Debbie DePerri

Fixed Costs by Functional Category

Selected Fiscal Years

Category	FY90	% of Total	FY93	% of Total	FY95	% of Total	FY96	% of Total
Retirement	479,671,244	48.6%	513,021,874	46.0%	517,204,526	46.3%	520,119,318	46.1%
Health Insurance	394,335,464	40.0%	481,340,374	43.1%	495,864,187	44.4%	505,499,904	44.8%
Workers Compensation	37,212,074	3.8%	41,783,756	3.7%	33,178,010	3.0%	31,219,612	2.8%
Medicare	12,704,593	1.3%	20,304,924	1.8%	24,816,503	2.2%	28,436,719	2.5%
Liability Insurance	43,847,476	4.4%	36,461,634	3.3%	29,948,938	2.7%	27,554,355	2.4%
Unemployment	11,200,612	1.1%	9,610,839	0.9%	5,900,630	0.5%	5,837,880	0.5%
Other Employee Benefits	3,947,339	0.4%	7,983,305	0.7%	7,084,274	0.6%	5,386,088	0.5%
Life Insurance	3,494,028	0.4%	5,421,653	0.5%	3,742,206	0.3%	3,590,752	0.3%
Total Fixed Costs	**986,412,830**	**100.0%**	**1,115,928,359**	**100.0%**	**1,117,739,274**	**100.0%**	**1,127,644,628**	**100.0%**

Table 3

DLS UPDATE

Elected to Appointed

Effective immediately, towns can convert officers or boards elected pursuant to M.G.L. Ch. 41, Sec. 1, with the exception of selectmen and school committee, to appointed officers without the need for special legislation. Chapter 149 of the Acts of 1997 can affect town clerks, treasurers, tax collectors, assessors, auditors, highway surveyors, road commissioners, sewer commissioners, tree wardens, constables, and board of health members.

The conversion process entails two steps. A majority of those present and voting at an annual or special town meeting must vote to make the desired change. A majority of those voting at the annual election must also vote to make the change. In the event that a town wishes to convert more than one officer or board from elected to appointed, both town meeting and the annual election must vote on each position separately.

The statute specifies the language that must appear on the annual election ballot. If the town votes the change at other than the annual meeting, the legislation stipulates the special town meeting must precede the annual election by at least 60 days. Once a position is converted to appointed, the incumbent continues to hold office and perform his or her duties until either the expiration of the elected term or the appointment of another person to the office, whichever is later. The appointing authority is the board of selectmen under M.G.L. Ch. 41, Sec 1A, unless another provision of law applies. (See Division of Local Services December 1997 *Bulletin*.) ■

Utility Restructuring

Municipalities that host electric generating facilities are watching the effects of electric utility restructuring on their local property tax bases. As a result of the passage of the 156-page Chapter 164 of the Acts of 1997, some utility plants, most likely older and nuclear facilities, will suffer devaluation.

Communities hosting electric generating plants have two options. First, the legislation allows communities to enter into binding agreements with generating companies for payments-in-lieu-of taxes (PILOT) that are negotiated in good faith and establish values or payments that approximate full and fair cash value tax assessments. Second, legislation provides a safety net for communities that do not make binding agreements where plants devalue. In these cases the statute authorizes transition payments in addition to assessed taxes to ensure that the total revenues received by the city or town in FY1998, 1999 & 2000 from taxes and transition payments equals or approximates the taxes received in FY97. Also, from FY2001 through FY2009, communities will receive transition payments based on the difference between the annual fair market values of the plants and their values as of 1/1/96 (FY97). These transition payments are based upon a percentage (declining 10 percent annually) multiplied by the current year's commercial tax rate.

The statute also provides that payments under binding agreements or the transition payments shall be included in communities' levy ceiling and limit calculations as well as in determining the minimum residential factor and the classification of property. Additionally there are changes in the manufacturing corporation exemption providing for general taxation of electrical generating plants, but exempting 30 megawatt or less cogeneration facilities and facilities owned by corporations classified manufacturing on or before 1/1/96. All of these issues are currently being reviewed for implementation by the Division of Local Services and *Informational Guideline Releases* (IGRs) will be issued in the near future. If you have questions, in particular about what constitutes a binding agreement prior to release of the IGRs, please contact Gary Blau at (617) 626-2315. ■

Purchasing Course

The Massachusetts Office of the Inspector General has established a Massachusetts Certified Public Purchasing Official Program (MCPPO). Two three-day MCPPO seminars currently are being offered: a General Certification seminar and a Supplies and Services seminar.

The General Certification seminar presents an overview of public purchasing principles and laws; legal requirements for public contracts; antitrust laws, consumer protection, and fraud in procurement; practical considerations for contract drafting; and fair labor and ethics laws. This seminar is a prerequisite for other seminars in the program.

The Supplies and Services seminar focuses on procurements under Chapter 30B, the Uniform Procurement Act. Topics include an overview of the law; writing effective specifications; using quotes, invitations for bids and requests for proposals; common bidding problems; contract administration; multi-year contracts, leases and lease purchases; public-private partnerships; and contemporary issues in public purchasing. Participants receive a certificate upon successful completion of each seminar.

The seminars have been designed to meet national standards for recognition and to offer continuing education credits.

The next General Certification seminars have been scheduled for February 25–27, 1998. For additional information and a schedule of upcoming seminars, contact Anne Tierney at (617) 523-1205. ■

Municipal Fiscal Calendar

February 1
Taxpayer: *Deadline for Payment of 3rd Quarterly Tax Bill Without Interest* (if mailed before January 1)

Quarterly Tax Bills–*Application Deadline for Property Tax Abatement*
According to M.G.L. Ch. 59, Sec.59, applications for abatements are due on Feb. 1 unless actual tax bills were mailed after December 31. In that case they are due May 1, or 30 days after mailing, whichever is later.

February 15
Treasurer: *2nd Quarter Reconciliation of cash* (due 45 days after end of quarter)

February 28
Finance Committee: Continue budget review and develop recommendations. This date will vary depending on dates of town meeting.

Mark Your Calendars!

Course 101, *Assessment Administration and Procedures* for assessors and assistant assessors will be held at Holyoke Community College on Tuesday evenings beginning March 31, 1998.

"What's New in Municipal Law" for interested municipal officials will be held on May 15, 1998 in West Springfield and on May 22, 1998 in Framingham.

Contact Barbara LaVertue at (617) 626-2340 for more information.

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Data Bank Highlight

This month's focus article discusses municipal spending. The Municipal Data Bank has several reports which review spending data. Examples of these reports include Expenditure Trends, a five-year summary analysis of spending by major function in a single community and Expenditures by Department, which details 121 Schedule A spending categories on over a seven year period.

To obtain Municipal Data Bank information contact. John Sanguinet at (617) 626-2355 for printed reports and data files, Burt Lewis at (617) 626-2358 for the On-Line Access System; or use the World Wide Web address below.

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS World Wide Web site at **http://www.state.ma.us/dls** or by writing to PO Box 9655, Boston, MA 02114-9655.

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Mitchell Adams, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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GOVERNMENT DOCUMENTS COLLECTION

APR 6 5 1998

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Options for Funding Title 5 Repairs

written by James R. Johnson

Bay State homeowners faced with repairing or replacing failing septic systems have two methods of borrowing the money: the Homeowner Septic Repair Loan Program and the Massachusetts Water Pollution Abatement Trust. In addition, the new personal income tax credit provides further assistance. Regulations governing the septic inspection program — known as Title 5 — were promulgated by the state's Department of Environmental Protection (DEP) in 1995. Under Title 5, septic systems must pass inspection before a property can be sold. If there are problems, the system must be repaired or replaced.

Owners of property with a deteriorating or failed septic system can apply for a loan of from $1,000 to $25,000 from an approved bank under the Homeowner Septic Repair Loan program. The program offers low interest rates to eligible homeowners, condominium owners and associations. The interest rate depends on income, the number of dependents and the location of the property. It varies from zero to five percent. Eligible homeowners must get a repair contract and construction permit and then submit board of health-approved plans with their loan application. The term of the loan can vary from three to 20 years. The loan must be paid in full upon sale, refinancing or transfer of the property.

Over two dozen banks throughout the Commonwealth participate. The program is a joint effort of the Department of Revenue, the Department of Environmental Protection and the Massachusetts Housing Finance Agency (MHFA). Revenue Commissioner Mitchell Adams commented, "We are impressed with the rapid growth in both the number of loans to homeowners and in the number of participating banks. The effectiveness of this program is a tribute to the collaborative work of several state agencies, and we are delighted that DOR is playing a key role not only in the funding, but also in ensuring public awareness of this important program." MHFA, which purchases the loans from participating banks, reports that as of January 16, 1998, 144 loans which total $1,400,000 have been funded. The average loan amount is $9,700. For information on participating banks, contact MHFA at (617) 844-1020 or 1333.

New Massachusetts income tax credit for septic system repairs

Under the other source of funding for Title 5 problems, over 160 municipalities have secured grants from the Massachusetts Water Pollution Abatement Trust which can be used to make loans to homeowners who need to bring their septic systems into compliance with Title 5 regulations. The property owner repays the municipality by having a portion of the cost, with interest, added to the annual property tax bill for up to 20 years as an apportioned betterment. Division of Local Services issued an *Informational Guideline Release* (IGR 94-208) which outlines accounting and reporting procedures for assessors, collectors, accountants and treasurers.

The Massachusetts legislature has just authorized a new credit against Massachusetts personal income taxes which will help to offset the cost of septic system repairs. The credit is calculated at 40 percent of eligible costs up to $15,000. The maximum credit of $6,000 (reduced by the amount of any subsidies from the bank loan or betterment programs) can be taken in installments up to $1,500 per year for up to four years. If a homeowner had the work performed in 1995 or 1996, the DOR rules allow the costs to be used in calculating the credit for 1997. TIR 97-12, issued by DOR on December 9, gives details on the credit which is available for the first time for taxpayers filing returns for calendar 1997. Information on the credit is available in Schedule SC in the 1997 Form 1 package. Taxpayers with questions should call the DOR main information lines at (617) 887-MDOR or (800) 392-6089. ■

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LEGAL

in Our Opinion

Smoking Ban Approved by Court

In a highly publicized decision, the Supreme Judicial Court, in *Town of Plymouth v. Civil Service Commission,* 426 Mass. 1 (1997), upheld the termination of a Plymouth police officer for smoking tobacco.

The Town of Plymouth had hired a permanent police officer in January 1989. Since she was hired after January 1, 1988, she was subject to M.G.L. Ch.41 Sec.101A. That statute states: "Subsequent to January first, nineteen hundred and eighty-eight, no person who smokes any tobacco product shall be eligible for appointment as a police officer or firefighter in a city or town and no person so appointed after said date shall continue in such office or position if such person thereafter smokes any tobacco products. The personnel administrator shall promulgate regulations for the implementation of this section." The police officer, who was a civil service employee, also became subject to the personnel administrator's rule prohibiting smoking which was promulgated in October 1988 in accordance with the terms of this statute. The officer was made fully aware of the smoking prohibition before she accepted employment with the town.

The officer performed without incident as a police officer until 1993. At that time, the police chief, who had received complaints from other officers that she had been smoking cigarettes in the police cruiser in violation of the state law, suspended her without pay for five days. The police chief also notified the Plymouth town manager. At the recommendation of the police chief, the town manager terminated her as a police officer on July 30, 1993. She immediately appealed to the Civil Service Commission.

After a hearing, the commission ruled that the town did not have a reasonable basis to terminate the officer and conditionally reinstated her if she participated in a smoking treatment program and could show that she no longer smoked cigarettes. The commission found that her termination was excessive since M.G.L. Ch.41 Sec.101A did not automatically require termination for violation of the no smoking policy. The commission relied on the statutory language of M.G.L. Ch.41 Sec.101A as well as its practice of discretionary action with employees who use alcohol to excess in violation of M.G.L. Ch.31 Sec. 50.

On further appeal, the case was heard by the Supreme Judicial Court. The court first rejected the Civil Service Commission's argument that the personnel administrator's rule of mandatory termination for smoking had exceeded the statute. In the court's view, the personnel administrator had promulgated a lawful rule in accordance with the strict terms of M.G.L. Ch.41 Sec.101A. The decision of the Civil Service Commission to reinstate the police officer therefore directly conflicted with the personnel administrator's rule.

Secondly, the court held that the commission could not modify the termination penalty. In the court's view, the commission erred in comparing smoking prohibition in M.G.L. Ch.41 Sec.101A with alcohol prohibition found in M.G.L. Ch.31 Sec.50. The latter statute provides in pertinent part that "No person habitually using intoxicating liquors to excess shall be appointed to or employed or retained in any civil service position." The court rejected the commission's ruling that it was unreasonable to keep an employee with a serious drinking problem on the job and then terminate an employee for smoking. The court held that the two statutes differed in their language and their legislative purposes. The court reasoned that the legislature in using words like "habitually" and "to excess" in M.G.L. Ch.31 Section 50 intended to grant flexibility to the appointing authority and to the Civil Service Commission in enforcing the statute. The court noted the absence of similar language in M.G.L. Ch.41 Sec.101A. Furthermore, the court reasoned that the legislature by delegating rule making authority to the personnel administrator had removed any need for individual decision making where the smoking ban was violated.

According to the court, the legislative purpose of both statutes was also different. Since M.G.L. Ch.31 Sec.50 concerned the abuse of alcohol, the court believed that participation in an alcohol treatment program (as opposed to termination) was a means to address the problem and also improve job performance. Unlike M.G.L. Ch.31 Sec.50 which pertained to all employees, M.G.L. Ch.41 Sec.101A applied only to police officers and firefighters. In the court's view, there was a legitimate legislative purpose in reducing the number of public safety officers who received disability benefits as a result of smoking. For monetary considerations, the legislature apparently had made a policy decision that new hires in police and fire departments should not be smokers.

For these reasons, the court set aside the commission's decision to reinstate the police officer and entered judgment for the town. ■

written by James Crowley

FOCUS on Municipal Finance

Trends in Motor Vehicle Excise Collections

Motor Vehicle Excise (MVE) collections constitute the largest locally generated source of revenue after property taxes. This article explores how MVE collections have varied over time, as well as how they differ between communities, and discusses some factors influencing fluctuations. The percent of total FY97 budget generated by MVE receipts for every city and town is included. The article also identifies the average age of vehicles and average MVE bill for every municipality in the state.

MVE collection data comes from the tax rate recapitulation sheet, submitted to the Division of Local Services by every city and town each year. For the 339 communities that have finalized their FY98 Tax Recapitulation Sheets, and for all municipalities for FY80 through FY97, actual MVE collections are included. For the 12 communities which had not set their FY98 tax rates when this article was written, the article substitutes certified MVE estimates. The Registry of Motor Vehicles provided information on the average age of vehicles and the average bills.

Statewide Trends

Figure 1 shows total MVE collections from FY80 through FY97. Between FY80 and FY82 motor vehicle excise collections dropped 58 percent due to Proposition 2½ which reduced the rate on motor vehicles from $66.00 per thousand to the current level of $25.00 per thousand. This reduction in rates went into effect on January 1, 1981. Consequently, bills issued during the first half of FY81, between July 1 and December 31, 1980, were billed at the higher rate. Bills issued during the second half of FY81 were billed at the lower rate. Therefore FY82, the first full fiscal year using the lower rates, realized the lowest amount of MVE collected in the last 17 years.

From FY83 through FY86 revenues consistently increased, paralleling a growing Massachusetts economy. During FY87 the Registry of Motor Vehicles (RMV) installed a new computer system which caused a backlog in billing. Consequently, some FY87 and FY88 bills were not collected until FY89, resulting in lowered FY87 and FY88 collections and increased FY89 collections. Reflecting the economic recession, MVE collections decreased by over 15 percent in FY90 and then remained relatively stable through FY92.

In 1992 the Registry of Motor Vehicles began to implement a non-renewal program which was an expansion of a program previously applied only to non-payment of parking tickets or abandonment of a vehicle. The new program authorized the RMV to place licenses and registrations in non-re-

continued on page six ➡

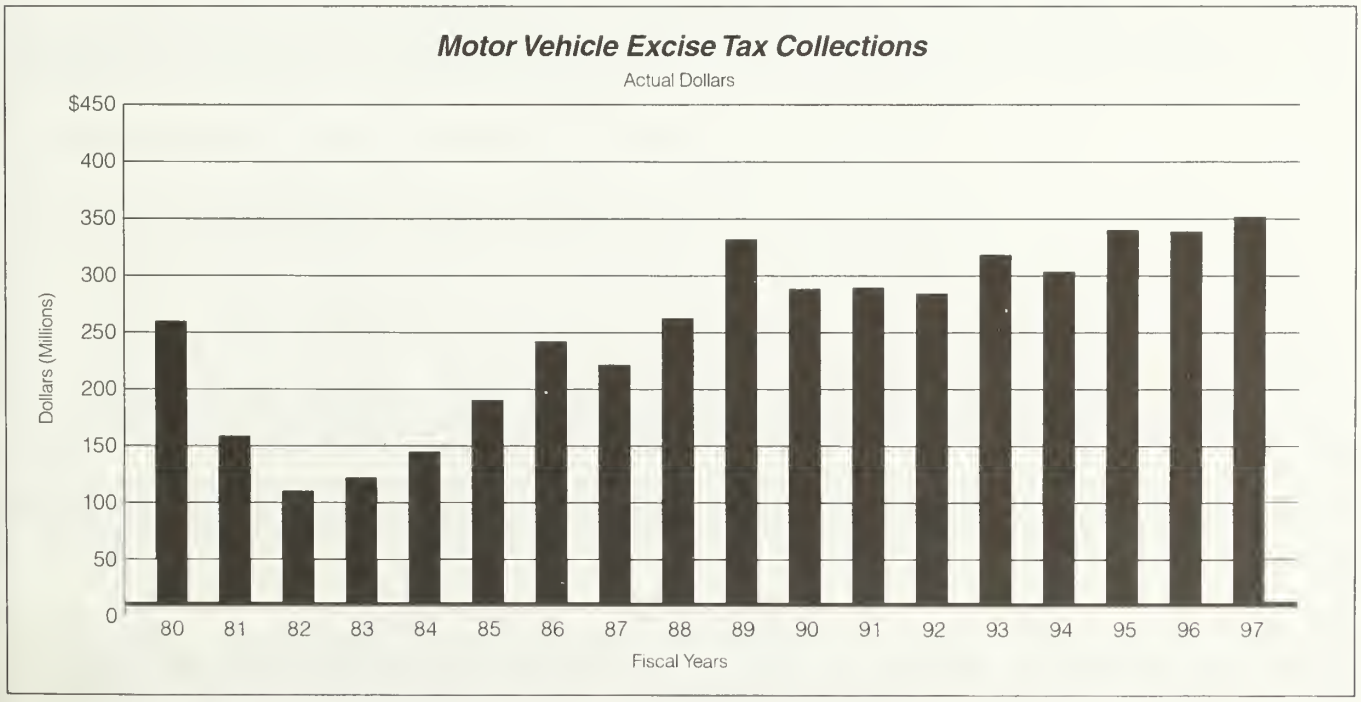

Figure 1

Motor Vehicle Excise Collection FY96 and FY97

MUNICIPALITY	FY96	FY97	FY97 as % Total Budget	Average Age	Average Bill	Rank in Avg. Bill
Abington	739,742	865,953	3.67%	8.23	71.59	221
Acton	1,749,400	1,963,758	4.98%	6.76	109.96	33
Acushnet	485,591	594,315	4.42%	9.00	59.23	328
Adams	454,710	509,038	5.62%	8.33	70.41	233
Agawam	1,756,847	2,035,770	4.69%	8.13	75.50	189
Alford	53,360	48,184	6.16%	8.26	105.01	41
Amesbury	947,980	961,565	3.20%	8.01	75.09	192
Amherst	1,029,520	1,043,282	2.45%	8.43	71.19	225
Andover	2,654,839	3,173,024	4.24%	6.79	107.99	37
Arlington	2,535,529	2,947,864	3.94%	7.56	90.81	91
Ashburnham	358,725	409,550	6.55%	7.91	71.67	220
Ashby	163,353	183,629	5.29%	8.79	60.17	320
Ashfield	94,532	105,855	4.46%	9.05	60.78	317
Ashland	880,969	1,147,779	4.84%	7.43	95.67	69
Athol	499,458	499,458	5.57%	8.74	62.21	307
Attleboro	2,283,204	2,496,915	3.68%	8.31	76.22	183
Auburn	1,393,859	1,432,480	5.93%	7.38	92.88	80
Avon	561,313	549,807	6.08%	8.06	108.06	36
Ayer	492,799	533,305	3.09%	8.90	81.05	155
Barnstable	3,210,662	3,539,678	3.79%	8.31	82.18	148
Barre	283,609	312,166	5.38%	8.44	67.44	265
Becket	114,447	107,429	3.90%	9.05	58.42	333
Bedford	1,018,484	1,096,513	3.04%	7.46	98.57	59
Belchertown	814,023	734,035	3.30%	8.47	68.31	254
Bellingham	1,002,619	1,064,958	3.80%	8.14	73.25	209
Belmont	1,681,413	1,913,281	3.47%	7.37	104.20	43
Berkley	331,712	331,712	4.50%	7.98	70.45	231
Berlin	180,746	179,051	4.03%	9.07	74.24	202
Bernardston	145,597	147,746	6.77%	8.78	65.89	279
Beverly	2,355,779	2,566,671	3.75%	7.96	85.55	124
Billerica	2,867,524	3,050,587	4.20%	7.83	82.72	145
Blackstone	484,115	512,282	6.45%	8.53	65.53	283
Blandford	75,557	70,000	4.96%	9.16	69.34	246
Bolton	334,909	373,643	5.01%	7.38	100.73	49
Boston	27,640,945	30,275,142	2.13%	8.22	106.11	39
Bourne	1,100,965	1,332,647	4.75%	7.93	79.32	168
Boxborough	386,612	390,425	4.66%	6.82	98.51	60
Boxford	813,234	849,548	5.88%	7.10	124.01	9
Boylston	345,693	467,326	8.41%	7.24	92.24	85
Braintree	2,928,333	3,035,223	4.40%	7.43	99.96	52
Brewster	619,599	691,146	3.06%	8.45	76.30	182
Bridgewater	1,256,033	1,432,068	5.81%	7.77	81.23	153
Brimfield	197,676	247,536	4.48%	8.79	68.12	258
Brockton	3,985,056	3,966,366	2.08%	9.00	66.19	278
Brookfield	164,148	174,250	3.58%	8.30	59.79	324
Brookline	3,463,940	3,686,845	2.86%	6.99	120.24	17
Buckland	79,095	85,419	3.55%	8.94	52.46	347
Burlington	2,143,989	2,018,254	3.51%	7.01	102.62	44
Cambridge	3,494,905	4,497,548	1.61%	8.32	88.71	104
Canton	1,708,657	2,197,692	5.24%	6.43	124.35	8
Carlisle	451,255	487,993	4.31%	7.45	113.95	25
Carver	639,239	694,661	3.29%	8.16	69.62	241
Charlemont	71,900	63,601	3.73%	9.70	56.47	339
Charlton	750,510	767,265	8.41%	7.77	75.86	186
Chatham	640,979	656,076	3.14%	8.61	81.82	150
Chelmsford	2,483,641	2,825,988	4.84%	7.37	90.11	98
Chelsea	1,157,965	1,345,194	1.76%	8.33	92.36	82
Cheshire	206,000	206,551	7.01%	8.02	66.67	274
Chester	74,421	73,082	5.14%	9.25	59.28	327
Chesterfield	63,284	65,503	4.22%	9.26	58.60	332

MUNICIPALITY	FY96	FY97	FY97 as % of Total Budget	Average Age	Average Bill	Rank in Avg. Bill
Chicopee	2,905,888	3,029,274	3.40%	9.02	67.42	266
Chilmark	83,793	111,773	3.33%	11.44	75.02	194
Clarksburg	74,432	129,292	5.79%	8.35	64.56	291
Clinton	722,370	777,092	4.01%	8.32	69.96	239
Cohasset	704,511	753,970	4.08%	7.78	112.40	28
Colrain	87,148	80,000	3.88%	9.44	58.26	334
Concord	1,586,273	1,751,661	4.70%	7.11	121.97	14
Conway	159,179	112,000	3.42%	8.09	65.82	280
Cummington	49,166	59,490	4.60%	9.41	59.60	325
Dalton	458,020	515,945	5.88%	7.59	80.81	156
Danvers	2,096,897	2,129,781	3.98%	7.46	94.81	74
Dartmouth	1,739,155	1,842,913	4.46%	8.41	71.78	219
Dedham	1,607,917	2,222,453	4.96%	7.68	96.33	65
Deerfield	490,134	461,305	5.17%	8.43	83.46	138
Dennis	1,240,811	1,222,605	4.81%	8.43	79.63	163
Dighton	382,165	407,412	5.86%	8.65	70.40	234
Douglas	393,544	452,500	4.19%	8.29	69.54	244
Dover	680,468	775,056	6.18%	7.08	145.67	2
Dracut	1,792,800	1,937,702	4.98%	7.96	74.95	197
Dudley	572,771	520,000	6.35%	7.85	75.05	193
Dunstable	208,432	240,295	6.60%	7.71	92.25	84
Duxbury	1,453,375	1,579,258	4.75%	7.17	113:97	24
East Bridgewater	724,857	660,061	3.01%	8.63	68.89	249
East Brookfield	146,579	160,809	7.71%	8.14	70.51	230
East Longmeadow	1,015,494	1,131,741	4.31%	8.05	85.60	123
Eastham	384,959	358,787	3.00%	8.96	71.01	226
Easthampton	853,285	881,709	3.84%	8.74	63.86	295
Easton	1,581,633	1,812,703	5.44%	7.52	85.39	127
Edgartown	315,592	335,558	2.35%	10.59	73.02	212
Egremont	107,723	119,457	5.30%	8.50	78.98	173
Erving	68,098	71,514	1.80%	9.26	54.03	344
Essex	299,358	292,502	4.92%	8.27	79.30	169
Everett	1,652,850	2,094,575	2.85%	8.60	87.48	109
Fairhaven	699,929	824,673	3.18%	8.82	60.89	316
Fall River	3,775,222	3,195,381	2.13%	8.93	61.59	313
Falmouth	2,140,558	2,138,688	3.54%	8.23	78.58	174
Fitchburg	1,759,479	1,827,771	2.68%	8.83	65.15	285
Florida	31,238	36,269	2.12%	9.69	45.83	351
Foxborough	1,309,436	1,454,956	4.79%	7.10	99.83	53
Framingham	4,656,173	5,335,580	3.98%	7.47	98.08	61
Franklin	2,197,704	2,269,972	4.47%	7.18	101.30	47
Freetown	647,946	666,201	5.55%	8.41	68.16	255
Gardner	1,045,079	1,132,026	3.47%	7.90	75.01	195
Gay Head	19,524	19,000	1.29%	11.20	56.82	337
Georgetown	552,613	600,691	4.73%	7.71	86.74	116
Gill	82,283	86,020	5.95%	8.77	60.35	319
Gloucester	1,594,184	1,913,059	3.33%	8.38	76.87	180
Goshen	29,754	64,992	4.92%	8.71	62.37	305
Gosnold	8,462	3,000	0.47%	8.50	79.06	172
Grafton	1,143,351	1,141,425	5.93%	7.61	85.45	126
Granby	245,721	488,974	6.12%	8.91	62.39	304
Granville	104,478	92,955	3.63%	9.49	65.26	284
Great Barrington	523,149	549,351	4.01%	8.23	81.35	152
Greenfield	898,764	1,062,242	3.39%	8.81	69.78	240
Groton	690,838	746,750	5.43%	7.53	90.62	93
Groveland	352,857	400,086	5.33%	7.80	75.81	187
Hadley	292,718	317,043	3.89%	8.62	70.58	229
Halifax	412,823	464,300	4.16%	8.30	70.11	237
Hamilton	614,896	595,598	4.78%	7.85	93.07	79
Hampden	339,356	395,039	6.75%	8.33	76.11	184

MUNICIPALITY	FY96	FY97	FY97 as % of Total Budget	Average Age	Average Bill	Rank in Avg. Bill
Hancock	62,311	54,633	5.38%	8.20	79.41	166
Hanover	1,210,247	1,224,489	4.64%	7.27	100.28	51
Hanson	596,173	685,615	5.86%	8.37	74.07	205
Hardwick	141,067	151,027	4.87%	9.24	58.00	335
Harvard	507,915	556,334	4.86%	7.38	108.68	35
Harwich	836,865	963,768	3.47%	8.39	76.07	185
Hatfield	318,503	360,005	5.90%	8.56	98.96	57
Haverhill	2,885,669	3,225,228	2.37%	8.10	76.70	181
Hawley	14,169	17,110	3.35%	10.32	51.54	349
Heath	45,100	46,167	3.59%	8.82	55.37	341
Hingham	1,821,880	1,994,010	4.48%	7.26	111.53	31
Hinsdale	117,622	129,928	5.53%	8.37	62.52	302
Holbrook	635,454	745,712	4.00%	8.41	72.86	213
Holden	1,283,686	1,296,557	6.24%	7.03	94.59	75
Holland	127,253	132,571	3.83%	8.88	63.14	299
Holliston	1,075,634	1,187,001	4.82%	7.32	95.59	70
Holyoke	1,423,955	1,387,669	1.37%	9.91	61.08	314
Hopedale	473,150	504,603	4.78%	7.59	90.65	92
Hopkinton	1,091,244	1,236,618	5.18%	6.92	112.78	26
Hubbardston	252,176	237,869	6.81%	8.10	72.65	215
Hudson	1,116,156	1,327,839	4.09%	7.90	79.48	164
Hull	620,810	666,449	2.90%	8.27	79.79	162
Huntington	101,351	132,738	6.12%	9.11	60.41	318
Ipswich	1,031,411	1,044,580	4.75%	7.78	86.74	117
Kingston	921,317	981,242	5.14%	7.59	90.55	94
Lakeville	607,578	682,464	5.07%	7.98	69.02	247
Lancaster	356,680	415,230	6.12%	8.37	71.25	223
Lanesborough	227,415	229,432	4.43%	8.05	71.87	218
Lawrence	1,881,531	1,500,000	1.03%	10.10	57.40	336
Lee	394,326	380,844	3.65%	8.03	75.19	190
Leicester	530,940	601,908	3.71%	7.90	67.99	261
Lenox	397,240	377,182	2.85%	7.70	89.65	100
Leominster	2,370,613	2,744,443	3.96%	7.95	77.92	178
Leverett	99,140	112,182	4.23%	9.10	66.95	270
Lexington	2,447,192	2,933,883	3.54%	7.06	114.79	23
Leyden	39,043	43,553	5.07%	9.10	55.91	340
Lincoln	647,391	619,676	3.63%	7.10	119.10	18
Littleton	670,477	702,270	4.45%	7.67	85.50	125
Longmeadow	1,472,466	1,526,379	4.71%	7.24	121.03	16
Lowell	3,582,066	3,821,820	1.85%	9.00	65.74	281
Ludlow	1,104,149	1,166,261	3.74%	8.65	67.08	269
Lunenburg	654,994	694,975	4.94%	8.15	74.15	203
Lynn	3,359,527	3,084,301	2.04%	9.53	62.44	303
Lynnfield	1,230,510	1,337,325	6.64%	7.19	126.29	7
Malden	2,275,912	3,328,272	3.96%	8.00	84.19	133
Manchester	521,383	562,625	4.19%	7.77	112.49	27
Mansfield	1,566,829	2,005,738	4.87%	7.21	95.82	68
Marblehead	1,928,799	1,906,503	4.73%	7.53	115.26	22
Marion	341,679	389,438	3.93%	7.98	86.28	120
Marlborough	2,453,823	2,748,871	4.18%	7.61	87.65	108
Marshfield	1,625,080	1,846,785	4.17%	7.71	88.55	106
Mashpee	733,150	796,022	3.03%	7.82	83.36	140
Mattapoisett	473,735	520,127	4.55%	7.86	83.91	134
Maynard	653,392	678,985	3.76%	8.08	75.00	196
Medfield	961,119	1,072,904	4.63%	6.92	118.98	19
Medford	3,197,508	3,299,903	3.65%	7.98	86.14	121
Medway	865,752	867,514	4.12%	7.31	89.74	99
Melrose	1,686,180	1,843,538	3.96%	7.66	89.38	101
Mendon	335,764	430,213	8.28%	7.91	87.42	110
Merrimac	349,464	423,645	5.75%	7.92	75.57	188

MUNICIPALITY	FY96	FY97	FY97 as % Total Budget	Average Age	Average Bill	Rank in Avg. Bill
Methuen	2,257,332	2,228,165	3.28%	8.12	73.79	206
Middleborough	1,086,359	1,093,550	3.05%	8.54	65.04	286
Middlefield	28,981	23,454	3.73%	9.33	55.18	343
Middleton	451,754	527,031	5.01%	7.78	95.05	73
Milford	1,787,000	1,855,325	4.00%	7.86	84.40	132
Millbury	822,396	885,182	5.12%	7.88	80.24	159
Millis	544,946	622,457	4.49%	7.61	87.09	112
Millville	154,730	187,430	6.74%	8.76	67.44	264
Milton	2,005,120	2,032,397	4.20%	7.56	102.48	45
Monroe	6,673	6,340	1.38%	8.22	59.89	323
Monson	436,216	506,807	3.57%	9.01	62.58	301
Montague	393,818	473,565	4.78%	9.11	62.31	306
Monterey	65,830	79,793	4.54%	8.46	87.16	111
Montgomery	57,598	50,000	5.12%	8.86	64.29	294
Mount Washington	8,860	11,570	3.44%	10.16	84.55	131
Nahant	272,655	313,501	4.46%	7.84	90.33	97
Nantucket	946,094	962,996	2.06%	9.91	92.66	81
Natick	2,315,404	3,003,300	4.79%	7.23	99.77	54
Needham	2,822,329	2,895,237	4 48%	6.75	123.37	11
New Ashford	13,382	12,396	3.28%	8.12	70.41	232
New Bedford	3,105,287	3,471,567	1.94%	9.26	58.92	330
New Braintree	52,372	56,430	4.71%	8.56	66.48	276
New Marlborough	102,464	98,793	4.17%	9.26	67.33	267
New Salem	52,182	66,148	5.39%	9.10	61.73	310
Newbury	495,325	569,691	6.31%	7.74	87.00	113
Newburyport	1,429,263	1,141,707	3.71%	7.48	91.30	87
Newton	6,998,507	8,654,331	4.35%	6.96	123.58	10
Norfolk	711,025	778,902	4.98%	7.15	101.80	46
North Adams	623,706	651,283	2.23%	8.80	61.65	311
North Andover	2,228,185	2,319,264	5.52%	6.98	112.24	29
North Attleborough	1,730,411	1,930,412	4.38%	7.75	82.31	146
North Brookfield	257,036	267,730	3.45%	8.64	63.61	297
North Reading	1,188,982	1,185,328	4 13%	7.62	96.31	66
Northampton	1,468,779	1,546,766	3.13%	8.57	70.09	238
Northborough	1,305,894	1,396,675	6.33%	7.13	110.95	32
Northbridge	739,668	867,087	4.22%	8.18	71.22	224
Northfield	167,250	186,916	5.33%	8.12	68.02	260
Norton	1,115,723	1,171,116	4 14%	7.86	83.77	136
Norwell	996,027	993,854	4.63%	7.37	112.22	30
Norwood	2,459,577	2,593,807	3.15%	7.29	101.16	48
Oak Bluffs	248,072	300,991	2.23%	10.71	68.79	250
Oakham	97,073	123,311	6.75%	7.81	70.23	235
Orange	322,501	366,193	2.90%	9.34	53.36	346
Orleans	529,752	642,551	3.85%	8.97	82.95	143
Otis	106,459	94,966	4.02%	8.98	67.45	263
Oxford	872,719	873,013	4.74%	7.85	74 10	204
Palmer	690,818	727,343	3.38%	9.15	63.46	298
Paxton	346,680	371,821	7.07%	7.05	105.82	40
Peabody	3,301,057	3,840,437	4.30%	7.65	91.15	88
Pelham	86,778	86,802	4.21%	8.34	68.13	257
Pembroke	1,031,795	1,274,381	5.00%	7.86	80.58	158
Pepperell	717,256	716,437	5.77%	8.16	73.10	210
Peru	44,893	42,807	4.24%	8.91	52.02	348
Petersham	63,774	69,334	3.82%	8.05	62.84	300
Phillipston	96,656	93,889	7.13%	8.70	64.50	292
Pittsfield	2,822,531	2,794,694	3.55%	7.92	78.04	176
Plainfield	29,319	33,407	3.14%	9.73	58.74	331
Plainville	520,457	590,424	5.75%	7.53	83.71	137
Plymouth	3,079,130	3,188,966	3.12%	7.87	81.06	154
Plympton	192,111	196,801	4.91%	8.50	74.81	199
Princeton	276,382	311,694	6.09%	7.53	94.52	76
Provincetown	258,195	235,790	1.46%	9.54	79.82	161
Quincy	4,902,098	5,299,676	3.28%	7.84	86.69	118
Randolph	2,242,577	2,345,534	4.97%	7.69	90.91	90
Raynham	918,136	1,117,422	8.42%	7.17	94.46	77
Reading	1,779,898	1,882,245	4.00%	7.07	95.98	67
Rehoboth	686,016	761,951	7.46%	8.69	77.04	179
Revere	1,988,743	2,141,869	2.87%	8.37	79.28	170
Richmond	136,991	135,970	4.07%	7.59	90.34	96
Rochester	318,587	345,159	4.05%	8.61	72.46	216
Rockland	1,041,235	1,054,345	3.42%	8.30	73.61	207
Rockport	468,073	530,110	2.92%	8.02	80.78	157
Rowe	21,052	27,326	1.04%	8.92	61.92	308
Rowley	320,392	372,385	5.02%	8.22	79.22	171
Royalston	44,992	49,500	5.06%	9.56	55.28	342
Russell	79,109	75,000	3.19%	9.38	59.38	326
Rutland	370,585	419,936	6.14%	7.56	77.98	177
Salem	1,877,661	2,145,383	2.87%	8.32	79.41	165
Salisbury	464,775	610,829	5.61%	8.38	81.50	151
Sandisfield	57,611	57,727	4.29%	9.28	74.75	200
Sandwich	1,298,750	1,484,056	4.40%	7.68	85.02	128
Saugus	1,742,687	1,922,706	4.26%	7.97	84.80	129
Savoy	41,022	43,684	4.19%	9.15	60.12	322
Scituate	1,327,763	1,519,612	4.54%	7.60	94.08	78
Seekonk	1,148,221	1,164,750	5.10%	8.06	88.07	107
Sharon	1,530,560	1,623,862	4.93%	6.61	123.23	12
Sheffield	228,318	266,024	5.67%	9.46	73.42	208
Shelburne	115,940	106,830	4.42%	9.23	64.91	288
Sherborn	428,650	485,857	4 40%	7.35	126.56	6
Shirley	312,078	312,202	4.16%	8.07	70.17	236
Shrewsbury	2,488,162	2,560,266	5.91%	7.07	100.50	50
Shutesbury	89,180	102,086	3.08%	8.62	61.61	312
Somerset	1,064,940	1,108,878	3.25%	8.14	72.85	214
Somerville	3,943,949	2,643,776	2.19%	8.80	68.60	251
South Hadley	1,029,073	1,048,457	4.35%	8.00	75.14	191
Southampton	322,109	374,718	4.94%	8.54	69.59	242
Southborough	1,051,259	1,069,092	6.92%	6.90	136.11	4
Southbridge	840,348	858,974	2.95%	8.51	69.49	245
Southwick	463,011	585,547	5.92%	9.32	64.46	293
Spencer	694,358	765,193	7.95%	8.10	70.62	228
Springfield	5,670,065	5,723,071	1.78%	9.87	64.94	287
Sterling	499,821	597,976	6.19%	7.52	89.11	103
Stockbridge	159,685	188,534	3.32%	8.38	90.98	89
Stoneham	1,769,791	1,800,317	4.42%	7.40	98.90	58
Stoughton	1,963,084	2,153,849	4.44%	7.61	89.19	102
Stow	465,772	505,296	5.02%	7.65	90.44	95
Sturbridge	639,965	656,804	4.83%	7.39	86.91	114
Sudbury	1,659,197	1,758,786	4.69%	6.98	128.19	5
Sunderland	207,375	195,234	4.61%	8.61	66.84	273
Sutton	629,909	654,253	5.28%	7.50	83.78	135
Swampscott	1,180,379	1,173,046	4.12%	7.46	96.45	64
Swansea	918,718	982,550	4.85%	8.57	67.12	268
Taunton	2,598,142	3,231,495	3.29%	8.33	69.56	243
Templeton	374,721	453,225	6.52%	8.40	66.40	277
Tewksbury	2,105,632	2,257,455	4.47%	7.49	79.93	160
Tisbury	273,529	291,057	2.25%	10.50	68.39	253
Tolland	22,660	24,467	4 52%	9.01	64.58	290
Topsfield	563,294	601,125	5.63%	7.40	108.69	34
Townsend	525,206	579,256	5.97%	8.11	66.94	271
Truro	164,712	141,120	2.28%	9.67	72.08	217
Tyngsborough	669,240	764,076	4.29%	7.96	83.22	141
Tyringham	28,488	27,242	3.17%	7.77	78.40	175
Upton	458,363	419,924	6.12%	7.68	86.41	119
Uxbridge	626,598	730,995	4.17%	8.23	70.79	227
Wakefield	2,040,588	2,102,214	4.47%	7.46	97.40	63
Wales	96,730	107,278	4.68%	9.41	59.16	329
Walpole	1,870,285	1,872,474	4.74%	7.42	99.47	55
Waltham	3,642,302	3,851,036	3.33%	7.93	88.59	105
Ware	500,511	566,555	3.86%	8.96	61.73	309
Wareham	1,164,099	1,295,460	3.46%	8.70	66.65	275
Warren	233,625	216,969	4.19%	9.07	56.65	338
Warwick	38,359	36,318	3.67%	9.13	53.43	345
Washington	44,001	37,221	4.82%	7.74	68.03	259
Watertown	2,065,754	2,537,835	4.21%	7.61	95.32	71
Wayland	1,267,703	1,338,146	3.90%	7.02	121.95	15
Webster	916,532	1,047,533	4.18%	8.30	74.67	201
Wellesley	2,544,170	3,016,942	5.53%	6.80	143.53	3
Wellfleet	209,569	224,118	2.46%	9.41	68.15	256
Wendell	39,896	43,225	3.33%	10.08	50.46	350
Wenham	326,829	321,123	4.85%	7.76	104.68	42
West Boylston	556,923	601,533	5.14%	7.50	91.69	86
West Bridgewater	624,334	676,595	4.94%	8.43	83.15	142
West Brookfield	219,914	200,422	4.21%	8.16	69.01	248
West Newbury	324,137	331,322	4.77%	7.62	97.50	62
West Springfield	1,820,508	1,862,753	3.80%	8.49	79.37	167
West Stockbridge	110,228	120,067	4.32%	8.40	82.75	144
West Tisbury	139,226	142,222	2.01%	10.96	60.13	321
Westborough	1,649,999	1,847,576	4.65%	6.68	118.27	20
Westfield	2,301,597	2,174,729	2.93%	8.62	73.03	211
Westford	1,531,464	1,707,363	4.71%	7.19	99.42	56
Westhampton	84,789	107,466	4.04%	8.76	66.91	272
Westminster	495,350	568,070	6.17%	7.88	86.00	122
Weston	1,406,001	1,485,217	4.25%	6.79	162.77	1
Westport	896,477	1,024,104	5.73%	8.78	65.56	282
Westwood	1,323,908	1,496,775	4.37%	6.84	122.82	13
Weymouth	3,312,026	3,831,931	4.38%	7.94	82.06	149
Whately	91,437	109,090	3.93%	9.26	63.82	296
Whitman	722,569	785,649	4.62%	8.40	68.46	252
Wilbraham	970,447	1,082,359	5.82%	7.71	95.30	72
Williamsburg	150,419	141,415	4.17%	9.03	61.00	315
Williamstown	420,380	439,278	3.62%	7.89	82.29	147
Wilmington	1,612,523	1,869,441	4.81%	7.48	92.27	83
Winchendon	470,100	541,479	2.98%	8.34	64.89	289
Winchester	1,865,272	1,965,590	4.37%	7.21	116.32	21
Windsor	63,534	62,980	6.13%	7.93	71.56	222
Winthrop	906,501	754,336	2.77%	8.23	83.45	139
Woburn	3,863,641	3,967,532	5.65%	7.46	106.19	38
Worcester	8,272,827	8,482,507	2.54%	8.12	84.77	130
Worthington	99,496	72,590	4.31%	8.33	67.58	262
Wrentham	690,707	866,340	4.91%	7.91	86.91	115
Yarmouth	1,580,911	1,659,846	3.62%	8.50	74.84	198
State Total	275,851,975	296,396,211	18.57%	8.08	86.01	

* Indicates that FY97 data are estimates.

Table 1

Trends in Motor Vehicle Excise Collections
➡ *continued from page three*

newal status for non-payment of the MVE. Such licenses or registrations cannot be renewed until the MVE is paid along with all fees and charges. This program significantly increased collections in FY93. Collections decreased in FY94, however, after the large increase in FY93.

A portion of the increase in FY95 collections resulted from the RMV's mailing commitments in May rather than July, thereby increasing FY95 and decreasing FY96 totals. Collections in FY97 were 5.86 percent higher than in FY96; this trend is expected to continue through FY98.

Local Trends

Table 1 shows MVE collections for FY96 and FY97, collections as a percent of total budget, the average age of vehicles, the average MVE bill and the rank of the average bill for every city and town. Communities with asterisks had estimated collections for FY97. Average bills were calculated by dividing the total MVE bills committed to local communities by the RMV for calendar year 1997 by the number of bills.

Statewide, MVE collections make up 2.5 percent of total local budgets. The percentage varies from 8.4 percent for Raynham to 0.5 percent for Gosnold, with a statewide community median of 4.4 percent. For the most part, the most populous communities depend on the MVE less as a source of revenue than less populous cities and towns. Of course, interesting exceptions occur. Two island communities, Gosnold with the lowest percentage and Gay Head with the fourth lowest percentage, have small year round populations and also few roads and vehicles.

Since the amount of excise paid relates directly to the age of the motor vehicle, the average age for each community is relevant. Despite the improving economy in the eastern part of the state which might have been expected to stimulate the buying of newer cars, the RMV statistics indicate that people are keeping cars longer. The average age increased by more than one year from FY92 to FY97 (7.0 to 8.1 years). The residents of Chilmark have the oldest vehicles averaging 11.4 years, followed by Gay Head at 11.2 years, West Tisbury at 11.0 years, Oak Bluffs at 10.71 and Edgartown at 10.6 years. Residents of Canton had the lowest average age vehicles, averaging 6.4 years, followed by Sharon at 6.6 years, Westborough at 6.7, Needham at 6.8 years and Acton at 6.8 years. Generally, island communities had the oldest vehicles, and communities in the Route 128 and Route 495 belts had the newest vehicles.

The amount of the motor vehicle excise due is calculated by multiplying the value of the vehicle by the $25.00 rate. The value of the vehicle for the purpose of the excise is the applicable percentage of the manufacturer's suggested retail price for that year. The applicable percentages are:

In the year proceeding the year of manufacture	50%
In the year of manufacture	90%
In the second year	60%
In the third year	40%
In the fourth year	25%
In the fifth and succeeding years	10%

Table 1 shows average MVE bill for each community. Generally, as average age increases, the average bill decreases. The correlation is not perfect, however, since more expensive initial prices of some vehicles increase average bills even though the vehicles are older. The communities with the highest bills were Weston ($163), Dover ($146), Wellesley ($144), Southborough ($136) and Sudbury ($128), all higher income suburbs west of Boston. While the five communities with the highest bills are in the top 10 percent of communities with newer average age of vehicles, none are in the top five communities for newest vehicle. The five communities with the lowest bills are in the 20 percent of communities with the oldest vehicles, but none are the five communities with the oldest average age vehicles. Per capita income appears to be the best predictor of average MVE bill. Based on 1989 data from the U.S. Census Bureau, the three communities with the highest per capita income are Weston ($46,855), Sherborn ($41,614), and Dover ($40,288). They rank 1st, 6th and 2nd respectively in average MVE bill and 7th, 47th and 25th respectiveiy in average age of vehicles. People in these communities appear to have more expensive cars, offsetting the effects of vehicle age.

The 10 communities with the lowest average excise bill are all located in western Massachusetts. Six of the 10 are in Franklin County, two in Berkshire County and one in Worcester County. The average ages of vehicles are all above the average of 8.1, ranging from 8.82 to 10.32. The ranking for per capita income ranges from 292 to 346 in these western communities. ■

written by Stanley Nyberg and John Sanguinet

DLS UPDATE

Lawrence Oversight Board Ends

On December 29, 1997, the City of Lawrence Fiscal Oversight Board voted to end its seven and a half year supervision of the city's finances. The oversight board was created in 1990 in order to address Lawrence's chronic inability to balance its budget. The board's role was to ensure that the city's adopted budgets were balanced, to monitor its financial activities during the year in order to prevent further operating deficits and to propose initiatives to improve its weak fiscal management. The board also had to approve all appropriations, including debt authorizations.

Lawrence's financial condition improved significantly under the oversight board. The city was allowed to borrow $13 million to finance cumulative deficits and deferrals of prior years. This borrowing stabilized its cash position and the associated debt service has been fully funded in each annual budget. Since FY95, the city has budgeted prudently, ending each fiscal year with modest surpluses and without overdrawn accounts. These sounder budgeting practices and more concerted efforts to collect outstanding taxes have steadily reduced the city's free cash deficit. The deficit, which reached over $5 million in 1991, is expected to show a positive balance this year. In addition, Lawrence now has a fiscal stability reserve of over $2 million available for emergencies.

Under the oversight board's direction, Lawrence also began several initiatives to strengthen its financial management capacity. These initiatives include installing a new integrated financial management information system, pursuing collections of outstanding receivables and modernizing the assessing department. Completion is expected over the next year or two.

The oversight board was comprised of four state officials, including three staff members of DOR's Division of Local Services. Kathleen Colleary, Attorney in the Property Tax Bureau, served as the board's chairperson and was Revenue Commissioner Mitchell Adams' designee. Frederick Kingsley, Bureau Chief of Municipal Data Management and Technical Assistance represented Secretary of Administration and Finance Charles D. Baker, Judy Luca, Manager in the Bureau of Accounts represented Director of Accounts James Johnson and Jay Sullivan, Administrator, Accountants and Contracts, Finance Bureau Department of Education represented Commissioner of Education Robert V. Antonucci. The city members were Mayor Mary Claire Kennedy, City Council President Steven Kfoury and School Committee member John Housianitis. ■

Written by Melinda Ordway
DOR staff person to the Fiscal Oversight Board

1998! Test Y2K Solutions

If communities and their software/hardware vendors have identified any Year 2000 compliance issues, the proposed solutions should be tested in 1998, preferably in FY97-98. Testing in 1999 will not allow time for additional corrections if the solution falls short of complete compliance. Solutions that require replacement or significantly altered software will need to be implemented. Implemention can include time-consuming data conversion and staff training. When data crosses departmental boundaries, testing must ensure that the complete system works. If different methods are used to solve Y2K problems, different departments may be separately compliant, but the overall system could still fail.

If a community relies on software vendors or service bureaus, the Y2K compliant version of those products or services should be used or at least tested by the community in 1998. Contractual provisions, assurances, warranties relating to Y2K compliance should be carefully reviewed.

If a community has not yet inventoried and assessed potential vulnerabilities among computer systems, embedded chip devices, service bureau contracts, etc., it may be difficult to identify and fund solutions in 1998, leaving little or no time for testing and implementation. In that event, contingency plans should be in place to ensure that "mission-critical" municipal processing can continue. ■

1998 EQV Preparation

Every even numbered year, the Commissioner of Revenue determines the Equalized Valuation (EQV) for each city and town in the Commonwealth. Because property recertification is done on a three-year cycle which varies for individual communities, the Division of Local Services estimates the full and fair cash value of all taxable property as of a common date to ensure equity. DLS is in the process of determining EQVs as of January 1, 1998 and is collecting property sales reports (LA-EQV3S) from each municipality. ■

Municipal Fiscal Calendar

March 1

DOE: *Notify Communities of Estimated Net School Spending Requirement for the Next Year*

Personal Property Owner: *Submit Form of List*
This is a listing of all personal property filed by the owner with the Assessors each year for the purpose of determining taxes in the next fiscal year.

Non-Profit Organization: *Final Filing Date for 3-ABC Forms*
These must be filed on or before March 1 (this deadline may be extended by the Assessors). In no event should the forms be filed later than 30 days after the tax bill is mailed.

March 31

State Treasurer: *Notification of Quarterly Local Aid Payment on or Before March 31*

Opportunities for Training

Assessment Administration: Law, Procedures and Valuation (Course 101) will be held at Holyoke Community College on Tuesday evenings beginning March 31, 1998.

"What's New in Municipal Law" will be held on May 15, 1998 in West Springfield and on May 22, 1998 in Framingham.

New Officials Finance Forum for newly elected or appointed officials will be held in Auburn on Friday, June 5, 1998.

Contact Barbara LaVertue at (617) 626-2340 for more information.

Data Bank Highlight

Motor Vehicle Excise

The Municipal Data Bank has several reports which supply motor vehicle information. The Registry of Motor Vehicles provides the Data Bank with a listing of the number of registered vehicles in each community as of the first of the year. The list identifies the type (car, light truck, etc.) and average age of the vehicles. The Data Bank also has reports that show trends in Motor Vehicle Excise receipts back to FY81. The Actual vs. Estimated Receipts report shows trends in actual collections compared to budgets estimates for Motor Vehicle Excise as well as other local receipt categories listed on the Tax Recap sheet.

To obtain Municipal Data Bank information contact: Stan Nyberg at (617) 626-2377 for printed reports and data files; Burt Lewis at (617) 626-2358 for the On-Line Access System; or use the World Wide Web address below.

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS World Wide Web site at **http://www.state.ma.us/dls** or by writing to PO Box 9655, Boston, MA 02114-9655.

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How Often Should a Community Reassess?

written by Ronald W. Rakow, Commissioner, Boston Assessing Department

There has been considerable debate within the Massachusetts assessing community on whether to retain the current three-year revaluation certification cycle or extend the period to five years. This debate has somewhat masked a related, and perhaps more relevant question: How often should assessed values be updated?

Under current law and practice, the Division of Local Services recertifies values once every three years. All communities, however, have the option of market indexing, or trending their assessments to reflect changes in the real estate market from the previous year.

Should communities update assessments annually? In Boston, we have chosen to follow an annual update policy, and found that there are a number of benefits, including:

Improved Equity

Since the Commonwealth shifted to the full and fair cash value standard, we have experienced an historic boom in real estate prices in the 1980s, an equally impressive bust in the early 1990s, followed by a sustained recovery in values. In fact, rapid change is the only common thread throughout this period.

An annual update process eliminates the lag between changes in the real estate market and the reflection of these changes in assessments that can result in an inequitable distribution of property tax obligations.

No "Sticker Shock"

Joan Youngman, a senior fellow at the Lincoln Institute of Land Policy and frequent author on property tax issues, states that many times large increases in assessments "stem not so much from extraordinary market activity, but instead from extraordinary assessment inactivity."[1] The failure to update assessments can contribute significantly to the tax impacts that create taxpayer dissatisfaction.

An annual update process allows for changes in the market to be phased in, avoiding more significant tax shifts and impacts which can occur when three year's worth of market appreciation is factored into a single assessment cycle.

Reduced Abatements

The state Appellate Tax Board has made it clear that they are not bound to the three-year certification cycle when evaluating the market value of properties in abatement appeal proceedings. As a result, in a down market, a community which fails to immediately reflect market changes in its assessments may be creating abatement liabilities. In a severe downturn, this can result in substantial abatement payouts that drain overlay reserve accounts and adversely impact a community's finances.

An annual update policy is not appropriate or even possible, in every community. For example, a city or large town with a full-time assessing staff is clearly better equipped and more able to keep assessments up-to-date than a smaller community with a part-time assessment presence.

The many technological advances in the tools available to assessors, however, make an annual update policy more attainable in many communities. A number of cities and towns have invested in geographic information systems (GIS) that can quickly bring complex real estate market trends into sharp focus. Powerful PC database and analysis tools have significantly reduced the effort required to perform assessment ratio studies and other analyses necessary to evaluate assessment levels and determine appropriate trending factors.

The administration of a sound assessment system is not a task that is pursued every third year. An annual update program can improve the quality and consistency of assessments and enhance the public's acceptance of the property tax. ■

[1]Youngman, Joan, *"Price Volatility and Property Tax Limitations,"* Land Lines: Newsletter of the Lincoln Institute of Land Policy, January 1998.

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LEGAL

in Our Opinion

The SJC's Look at Land Use Regulation

Does a governmental agency's denial of a development permit constitute a "taking" of real property? The Supreme Judicial Court recently answered this question in the negative and rejected a property owner's argument that denial of the permit, through governmental regulation restricting land use, was tantamount to an eminent domain taking under the state and federal Constitutions. The Court did not find any regulatory taking in the case of *Daddario v. Cape Cod Commission,* 425 Mass. 411 (1997).

In 1964, the plaintiff acquired a 70 acre parcel which was located in an agricultural zoning district in Falmouth. The Falmouth zoning by-laws allow earth removal in an agricultural zoning district by special permit. In 1994, the plaintiff applied to the Falmouth Zoning Board of Appeals (ZBA) for a special permit to extract sand and gravel on 32 acres of his land. Due to the development's potential regional impact, the ZBA referred the matter to the Cape Cod Commission (Commission).

The Commission was established under Chapter 716 of the Acts of 1989 to coordinate regional planning and land use development on Cape Cod. According to its written regional policy plan, the Commission seeks to balance economic development and the conservation of natural resources. It reviews any proposed development to determine conformity with the regional plan. The Commission will approve a proposed development if the project's benefits outweigh any detrimental impact, and if the project satisfies the regional policy plan and municipal development by-laws. If a project is disapproved by the Commission, an aggrieved party may appeal to the Superior Court or Land Court.

In the case at hand, the Commission held two public hearings and then denied the plaintiff's application for mining. The Commission wrote that the proposed mining would have an adverse impact on the Cape's natural resources. The plaintiff appealed immediately to the Land Court. The Land Court ruled that the Commission's decision amounted to a regulatory taking and ordered the Commission to approve the project with certain conditions.

The Commission then appealed to the Supreme Judicial Court. The Court disagreed with the Land Court judgment on two grounds. First, the Court cited U.S. Supreme Court decisions where taking claims were disallowed when governmental agencies had not rendered final determinations regarding the parcels under appeal. In the Supreme Judicial Court's view, the plaintiff's claim was not valid because the Commission had not made a final decision on the nature and extent of the development that it would approve for the Falmouth parcel.

Secondly, the Court ruled that the state and federal Constitutions did not prohibit the Commission's denial of the permit. Where there is a claim of regulatory taking, the Supreme Judicial Court wrote that three factors must be considered by the Court: the regulation's economic impact; the regulation's interference with investment-backed expectations; and the character of the governmental action. In this situation, the Court concluded that the denial of the mining permit did not prohibit a less extensive excavation of sand and gravel at the site. A review of the evidence disclosed, in fact, that the Commission had suggested that mining take place on 25 acres rather than on the 32 acres proposed, however, the plaintiff had rejected the Commission's alternative.

Even if less extensive mining was not economically feasible, in the Court's view, the subject parcel had substantial monetary value for other uses. Under the Falmouth by-laws, the parcel could still be used for agricultural and residential purposes. The Court, therefore, concluded that there was no taking. In effect, the Court held that a landowner is not entitled to the most financially profitable use of the land provided that the government regulation permits an economically viable use of the land. Land use regulation, in the court's view, "is not an all-or-nothing proposition." ■

written by James Crowley

City & Town Mailing

The Division of Local Services (DLS) is considering changing its policy on mailing copies of *City & Town*. As a cost cutting measure, we will no longer provide copies to municipal officials at their home addresses. Copies will be available at each city or town hall and in most public libraries.

Another alternative is to download *City & Town* from the DLS home page on the Internet. The internet address is on page 8.

DLS will no longer provide copies for each member of a board or department. Instead, we will send three copies to boards or departments with five or fewer members, and five copies to larger boards. We ask that local officials share the publication. There are no restrictions on copying issues of *City & Town*, or other DLS publications. If sharing is not feasible, please contact DLS at (617) 626-2405.

Our goal is to extend our resources as far as possible while continuing to make *City & Town* available to as many readers as possible. The new policy would be implemented as of July 1, 1998. ■

Focus on Municipal Finance

Effects of New Growth

The strong economy in Massachusetts has spurred development of real estate. This article looks at the effect of new development and other growth on the amount that municipalities can raise through property taxes. Proposition 2½ restricts the amount of property taxes a community can levy to 2.5 percent of the total assessed value of its taxable property (levy ceiling) and constrains the annual increase in the tax levy to 2.5 percent plus two other factors: new growth and overrides (levy limit).

The annual increase in the levy limit due to new growth is based on the amount of new development and other growth in the tax base that is not the result of revaluation or normal market-based appreciation. This includes: new residential or commercial development, condominium conversion, or improvements to existing properties. The purpose of the new growth provision is to recognize that new development will bring additional municipal costs (e.g. schools, roads and public safety). Rather than reallocating a fixed levy limit among an expanded tax base, the growth provision increases the levy limit by an amount equal to the assessed value of the new development multiplied by the prior year's tax rate for the appropriate property class. Essentially, then, the new growth increment added to the levy limit reflects a representative tax bill for the new construction based on the prior year's tax rate.

The effect of new growth on a community's ability to raise revenue through the property tax can be measured by percentage of the total levy limit, net of temporary debt and capital exclusions. In order to moderate the effects of unusual growth in any one year, this analysis looks at the average new growth amount and levy limit over a three-year period, FY96 through FY98. During this time period new growth accounted for 1.87 percent of the total levy limit statewide. This three-year average is close to the annual percentages (FY96, 1.79 percent; FY97, 1.85 percent; FY98, 1.82 percent). In individual communities the rate varied from 0.0 percent for Springfield and Lynn, which were prohibited from applying new growth because they had reached their levy ceilings, to 9.51 percent for Berlin over the three-year period. After Springfield and Lynn, the communities with the next lowest percentages of new growth (over the three-year period) are Monroe (0.14 percent), Rowe (0.15 percent), Arlington (0.26 percent), Winthrop (0.38 percent) and Gosnold (0.45 percent). The communities with the next highest percentages of new growth (over the three-year period) after Berlin are Bolton (5.20 percent), Amesbury (5.16 percent), Douglas (5.14 percent), Franklin (5.12 percent) and Boxford (4.96 percent). In the high-end communities, new growth had a significant effect on the ability to raise revenue through the property tax.

In the current analysis, residential and open space property classes are grouped together as residential, and commercial, industrial and personal property classes are grouped together as commercial. Statewide, residential new growth accounted for 53 percent of new growth; commercial accounted for 47 percent. These ratios were fairly

continued on page six ➡

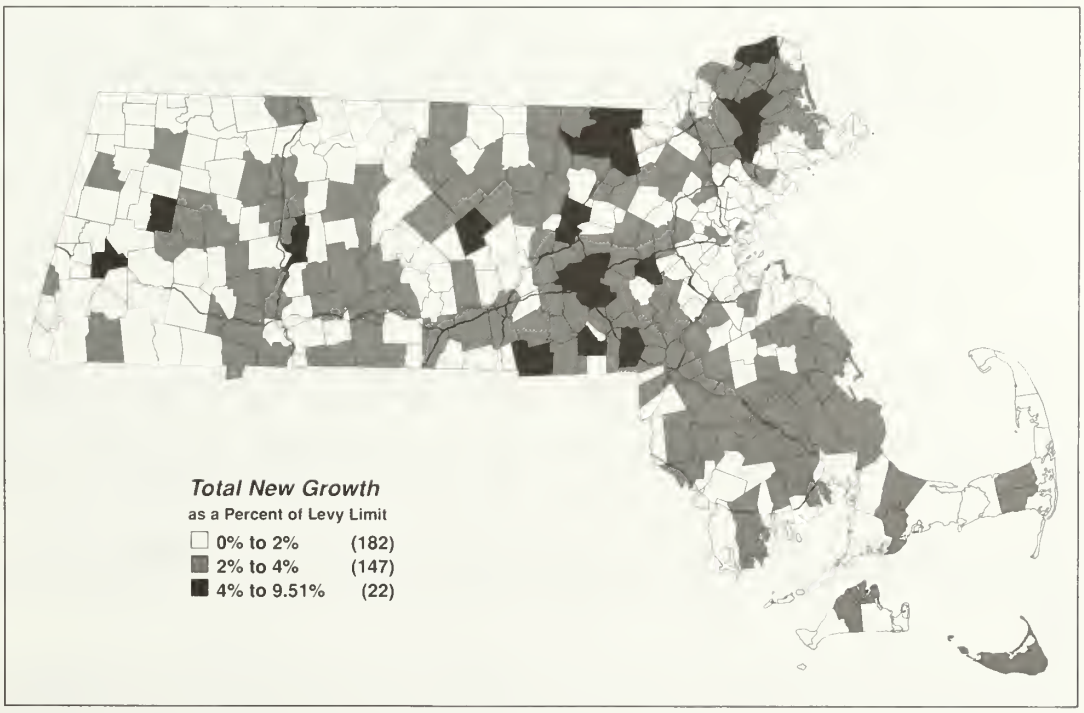

Figure 1

New Growth FY96 - FY98

Municipality	Average Residential Growth	Average Commercial Growth	Average Total Growth	ACG as a percent of Ave. LL	ATG as a percent of Ave. LL	Rank ATG as a % of Ave. LL
Abington	178,948	102,443	281,391	0.87%	2.38%	102
Acton	696,418	125,973	822,391	0.43%	2.79%	65
Acushnet	136,436	18,262	154,698	0.31%	2.62%	81
Adams	20,441	22,752	43,193	0.43%	0.82%	331
Agawam	206,627	467,643	674,269	1.94%	2.80%	62
Alford	17,082	396	17,478	0.07%	2.90%	57
Amesbury	616,965	159,810	776,775	1.06%	5.16%	3
Amherst	267,995	89,335	357,329	0.49%	1.95%	173
Andover	655,236	541,243	1,196,479	1.05%	2.33%	110
Arlington	70,888	48,361	119,249	0.11%	0.26%	347
Ashburnham	67,424	2,560	69,983	0.06%	1.75%	205
Ashby	29,826	3,101	32,927	0.15%	1.57%	238
Ashfield*	18,081	4,217	22,298	0.28%	1.48%	254
Ashland	376,872	28,514	405,385	0.19%	2.68%	74
Athol	30,726	9,482	40,208	0.22%	0.92%	317
Attleboro	377,802	133,682	511,484	0.49%	1.87%	178
Auburn	147,033	167,439	314,472	1.17%	2.21%	130
Avon	18,687	100,147	118,834	1.52%	1.81%	195
Ayer	86,124	77,346	163,470	1.01%	2.14%	145
Barnstable*	498,625	178,746	677,371	0.36%	1.37%	276
Barre	46,621	11,242	57,863	0.42%	2.15%	143
Becket	34,832	2,043	36,875	0.10%	1.87%	180
Bedford	245,596	256,989	502,584	1.15%	2.25%	123
Belchertown	239,963	28,777	268,740	0.32%	2.99%	54
Bellingham	147,960	122,571	270,531	0.92%	2.02%	165
Belmont	194,591	90,345	284,936	0.27%	0.85%	327
Berkley	83,927	3,672	87,599	0.12%	2.97%	55
Berlin	53,248	234,913	288,160	7.75%	9.51%	1
Bernardston	29,798	9,108	38,906	0.54%	2.30%	118
Beverly	328,174	269,002	597,176	0.68%	1.51%	249
Billerica	453,397	430,938	884,335	0.98%	2.01%	169
Blackstone*	58,682	12,014	70,695	0.25%	1.45%	263
Blandford	8,944	7,984	16,928	0.88%	1.86%	182
Bolton	276,181	30,065	306,246	0.51%	5.20%	2
Boston	672,503	11,898,681	12,571,183	1.59%	1.68%	215
Bourne	218,267	57,077	275,344	0.33%	1.61%	229
Boxborough	190,593	61,716	252,309	0.97%	3.98%	23
Boxford	447,506	18,484	465,991	0.20%	4.96%	6
Boylston	82,167	23,420	105,587	0.61%	2.74%	67
Braintree	246,495	637,611	884,106	1.65%	2.28%	121
Brewster	251,758	84,417	336,175	0.71%	2.81%	61
Bridgewater	408,855	71,466	480,322	0.50%	3.38%	38
Brimfield	43,843	4,378	48,221	0.17%	1.84%	185
Brockton	123,315	741,566	864,880	1.21%	1.42%	269
Brookfield	23,388	2,239	25,627	0.12%	1.42%	268
Brookline	1,082,960	318,310	1,401,271	0.38%	1.68%	214
Buckland	11,532	4,653	16,185	0.30%	1.04%	302
Burlington	176,196	426,431	602,627	1.02%	1.45%	262
Cambridge	1,449,996	2,008,869	3,458,864	1.27%	2.18%	138
Canton	396,609	127,537	524,146	0.49%	2.01%	167
Carlisle	242,368	5,933	248,301	0.07%	3.11%	49
Carver	117,247	88,955	206,202	0.93%	2.17%	141
Charlemont	11,916	7,204	19,120	0.61%	1.61%	230
Charlton	159,306	49,658	208,965	0.89%	3.72%	26
Chatham*	117,487	49,188	166,675	0.44%	1.50%	250
Chelmsford	442,710	230,747	673,457	0.62%	1.82%	191
Chelsea	63,583	330,634	394,217	1.87%	2.23%	126
Cheshire	12,546	1,585	14,130	0.10%	0.91%	321
Chester	6,334	1,269	7,603	0.13%	0.78%	334
Chesterfield	24,621	1,843	26,464	0.16%	2.36%	107
Chicopee	114,667	221,669	336,336	0.63%	0.95%	315
Chilmark	41,841	1,567	43,409	0.07%	1.83%	188
Clarksburg*	7,624	1,428	9,052	0.17%	1.08%	301
Clinton	21,996	60,983	82,979	0.74%	1.01%	305
Cohasset	100,159	23,426	123,585	0.19%	1.00%	307
Colrain*	11,851	3,275	15,126	0.25%	1.16%	291
Concord	258,676	65,470	324,147	0.22%	1.10%	298
Conway	41,954	6,018	47,971	0.32%	2.57%	85
Cummington	17,378	899	18,277	0.12%	2.39%	101
Dalton	69,927	20,143	90,069	0.36%	1.62%	226
Danvers	254,477	214,853	469,330	0.67%	1.47%	256
Dartmouth	368,035	101,967	470,003	0.46%	2.13%	147
Dedham	165,435	364,184	529,619	1.22%	1.78%	203
Deerfield	48,500	36,245	84,745	0.87%	2.03%	163
Dennis	172,408	30,619	203,027	0.20%	1.32%	280
Dighton	68,635	31,640	100,275	0.63%	2.01%	168
Douglas	198,673	30,637	229,311	0.69%	5.14%	4
Dover	209,013	9,449	218,461	0.09%	2.07%	156
Dracut	268,693	71,517	340,211	0.36%	1.72%	210
Dudley	40,865	8,395	49,260	0.24%	1.38%	272
Dunstable	100,576	2,332	102,908	0.09%	4.11%	19
Duxbury	490,000	28,148	518,148	0.12%	2.23%	127
East Bridgewater	166,124	51,393	217,516	0.53%	2.24%	125
East Brookfield	7,642	3,716	11,358	0.28%	0.85%	328
East Longmeadow	237,905	276,448	514,353	1.70%	3.16%	46
Eastham	107,135	13,994	121,129	0.18%	1.54%	245
Easthampton	129,149	57,638	186,786	0.66%	2.13%	148
Easton	374,811	48,305	423,116	0.25%	2.19%	137
Edgartown	115,780	6,973	122,754	0.09%	1.56%	241
Egremont	29,623	2,367	31,990	0.13%	1.79%	199
Erving	5,731	10,649	16,380	0.42%	0.65%	342
Essex	62,833	11,797	74,630	0.32%	2.04%	160
Everett	30,806	317,934	348,740	0.70%	0.77%	335
Fairhaven	64,760	75,251	140,011	0.59%	1.10%	297
Fall River	212,800	243,543	456,343	0.64%	1.20%	288
Falmouth	532,911	106,906	639,817	0.29%	1.71%	211
Fitchburg	165,284	131,614	296,898	0.63%	1.41%	270
Florida	4,416	5,738	10,153	0.52%	0.92%	318
Foxborough	423,070	60,920	483,990	0.39%	3.06%	51
Framingham	326,341	1,651,221	1,977,563	2.06%	2.47%	95
Franklin	1,023,824	196,719	1,220,543	0.82%	5.12%	5
Freetown	81,380	41,733	123,113	0.61%	1.81%	193
Gardner	113,233	50,208	163,442	0.48%	1.57%	239
Gay Head	12,655	742	13,397	0.07%	1.19%	289
Georgetown	222,769	32,479	255,248	0.54%	4.28%	15
Gill	15,874	2,420	18,294	0.24%	1.80%	198
Gloucester	394,878	73,327	468,204	0.22%	1.42%	266
Goshen	10,577	2,019	12,596	0.21%	1.34%	279
Gosnold	1,201	7	1,208	0.00%	0.45%	345
Grafton	240,841	17,674	258,515	0.17%	2.55%	87
Granby	82,151	8,983	91,134	0.23%	2.33%	113
Granville	18,874	5,448	24,322	0.43%	1.90%	177
Great Barrington	63,500	59,951	123,451	0.70%	1.45%	261
Greenfield	96,007	99,213	195,219	0.71%	1.39%	271
Groton	365,877	19,961	385,838	0.23%	4.39%	14
Groveland	128,473	13,370	141,843	0.31%	3.31%	41
Hadley	72,067	77,715	149,783	2.08%	4.01%	22
Halifax	139,121	45,256	184,378	0.88%	3.57%	29
Hamilton	77,089	5,912	83,001	0.06%	0.90%	322
Hampden	89,396	10,424	99,820	0.24%	2.30%	119
Hancock	4,669	1,375	6,044	0.21%	0.91%	320
Hanover	321,907	51,825	373,732	0.32%	2.33%	111
Hanson	94,470	15,804	110,274	0.22%	1.51%	248
Hardwick	23,927	3,522	27,449	0.23%	1.80%	197
Harvard	102,928	21,645	124,574	0.33%	1.92%	174
Harwich	304,520	93,640	398,160	0.59%	2.49%	92
Hatfield	24,344	67,922	92,266	2.30%	3.13%	47
Haverhill	712,930	216,958	929,889	0.55%	2.34%	108
Hawley	2,375	1,259	3,634	0.35%	1.00%	309
Heath	6,704	851	7,555	0.09%	0.76%	336
Hingham	182,369	220,831	403,199	0.75%	1.37%	275
Hinsdale	22,827	1,229	24,056	0.07%	1.42%	265
Holbrook	81,025	52,822	133,846	0.56%	1.42%	267
Holden	219,139	18,106	237,246	0.14%	1.83%	189
Holland	22,350	2,901	25,251	0.12%	1.01%	306
Holliston*	252,012	48,605	300,617	0.34%	2.08%	153
Holyoke	110,062	871,009	981,071	3.13%	3.52%	31
Hopedale	30,176	25,820	55,997	0.44%	0.96%	314
Hopkinton	617,169	104,776	721,945	0.71%	4.86%	7
Hubbardston	67,351	4,664	72,015	0.22%	3.33%	40
Hudson	133,932	172,078	306,009	0.90%	1.60%	231
Hull	290,476	35,690	326,166	0.30%	2.75%	66
Huntington	11,541	482	12,023	0.03%	0.80%	332
Ipswich	260,034	37,338	297,371	0.28%	2.22%	128
Kingston	296,485	29,909	326,393	0.29%	3.16%	45
Lakeville	138,576	17,472	156,048	0.24%	2.19%	136
Lancaster	86,557	60,020	146,577	1.36%	3.33%	39
Lanesborough	53,973	38,587	92,560	1.06%	2.54%	88
Lawrence	8,825	149,695	158,520	0.53%	0.56%	344
Lee	25,413	240,545	265,958	4.20%	4.65%	9
Leicester	70,471	34,626	105,097	0.61%	1.84%	184
Lenox	49,609	14,555	64,164	0.23%	1.00%	308
Leominster	406,241	211,935	618,175	0.70%	2.04%	159
Leverett	35,297	993	36,290	0.05%	1.85%	183
Lexington	322,884	263,071	585,955	0.49%	1.09%	300
Leyden	15,458	908	16,365	0.12%	2.20%	131
Lincoln	184,842	12,334	197,176	0.12%	1.92%	175
Littleton	165,497	116,794	282,291	1.16%	2.79%	64
Longmeadow	307,321	22,231	329,552	0.10%	1.55%	244
Lowell	162,584	363,000	525,584	0.58%	0.83%	330
Ludlow	258,376	98,795	357,171	0.67%	2.43%	96
Lunenburg	163,039	62,297	225,336	0.72%	2.59%	84
Lynn	-	-	-	0.00%	0.00%	350
Lynnfield	99,478	22,936	122,413	0.16%	0.85%	329
Malden	146,041	186,940	332,981	0.50%	0.89%	323
Manchester	139,593	18,466	158,059	0.21%	1.79%	200
Mansfield	530,426	113,025	643,451	0.55%	3.12%	48
Marblehead	157,672	21,233	178,905	0.09%	0.72%	337
Marion	145,326	14,033	159,359	0.20%	2.32%	115
Marlborough	489,039	1,166,229	1,655,268	2.46%	3.49%	33
Marshfield	428,949	61,110	490,059	0.25%	2.02%	166
Mashpee	383,568	68,351	451,918	0.41%	2.71%	72
Mattapoisett	86,354	31,218	117,573	0.41%	1.56%	243
Maynard	131,913	47,138	179,051	0.40%	1.52%	246
Medfield	368,480	18,607	387,088	0.13%	2.72%	69
Medford	257,654	551,811	809,465	1.13%	1.66%	218
Medway	321,369	82,183	403,552	0.70%	3.43%	35
Melrose	98,203	79,208	177,411	0.30%	0.66%	339
Mendon	143,332	9,580	152,912	0.26%	4.11%	20
Merrimac	154,195	4,705	158,900	0.12%	4.06%	21

Municipality	Average Residential Growth	Average Commercial Growth	Average Total Growth	ACG as a percent of Ave. LL	ATG as a percent of Ave. LL	Rank ATG as a % of Ave. LL
Methuen	362,499	111,376	473,874	0.33%	1.38%	273
Middleborough	173,153	167,083	340,236	1.17%	2.39%	100
Middlefield	13,830	1,157	14,987	0.20%	2.62%	79
Middleton	278,460	24,053	302,513	0.33%	4.16%	17
Milford	255,102	271,910	527,012	1.06%	2.05%	158
Millbury	53,961	67,929	121,890	0.83%	1.50%	252
Millis	131,840	16,415	148,255	0.23%	2.10%	150
Millville	58,729	5,245	63,974	0.28%	3.41%	37
Milton	157,182	39,259	196,441	0.13%	0.65%	341
Monroe	311	229	540	0.06%	0.14%	349
Monson	96,877	19,431	116,308	0.37%	2.19%	135
Montague	35,438	67,563	103,001	1.04%	1.59%	233
Monterey	20,551	4,136	24,687	0.33%	1.99%	171
Montgomery*	9,941	329	10,270	0.05%	1.45%	259
Mount Washington*	2,671	214	2,885	0.11%	1.50%	251
Nahant	18,806	3,929	22,735	0.10%	0.56%	343
Nantucket	607,959	96,963	704,922	0.49%	3.54%	30
Natick	543,299	1,270,276	1,813,575	3.10%	4.43%	13
Needham	311,085	365,523	676,608	0.88%	1.64%	224
New Ashford	1,848	674	2,522	0.37%	1.38%	274
New Bedford	252,730	598,456	851,186	1.18%	1.67%	216
New Braintree	7,172	3,393	10,565	0.51%	1.58%	235
New Marlborough*	36,729	2,945	39,674	0.20%	2.63%	77
New Salem	14,727	1,043	15,771	0.17%	2.61%	83
Newbury	115,084	14,541	129,625	0.25%	2.19%	132
Newburyport	358,106	98,509	456,615	0.51%	2.37%	104
Newton	672,660	640,785	1,313,445	0.48%	0.98%	311
Norfolk	192,946	14,319	207,265	0.16%	2.28%	122
North Adams	13,648	54,907	68,554	0.73%	0.91%	319
North Andover	659,171	180,293	839,464	0.70%	3.25%	42
North Attleborough	288,711	126,929	415,640	0.62%	2.03%	161
North Brookfield	16,030	4,327	20,357	0.18%	0.86%	326
North Reading	365,719	106,964	472,683	0.68%	2.99%	53
Northampton*	119,770	192,624	312,393	0.97%	1.57%	236
Northborough	446,692	136,147	582,839	0.82%	3.50%	32
Northbridge	150,987	75,559	226,546	1.03%	3.08%	50
Northfield	34,494	5,342	39,836	0.22%	1.64%	222
Norton	293,418	26,775	320,193	0.21%	2.56%	86
Norwell	263,193	95,750	358,943	0.65%	2.42%	98
Norwood	98,237	271,339	369,576	0.93%	1.27%	284
Oak Bluffs	141,679	29,245	170,924	0.40%	2.31%	116
Oakham	15,549	3,970	19,520	0.38%	1.86%	181
Orange	16,521	49,550	66,071	1.17%	1.56%	242
Orleans	114,288	26,617	140,905	0.27%	1.43%	264
Otis	21,192	3,168	24,360	0.15%	1.13%	294
Oxford	143,204	34,014	177,218	0.41%	2.13%	146
Palmer	101,380	57,859	159,238	0.75%	2.08%	155
Paxton	56,385	11,188	67,573	0.29%	1.78%	202
Peabody*	182,493	1,359,573	1,542,066	2.83%	3.21%	43
Pelham	17,434	2,340	19,774	0.16%	1.32%	282
Pembroke	249,475	89,025	338,500	0.61%	2.33%	109
Pepperell	215,996	7,396	223,392	0.10%	2.95%	56
Peru	29,814	4,756	34,569	0.62%	4.48%	12
Petersham	12,448	423	12,872	0.04%	1.32%	283
Phillipston	22,574	1,348	23,922	0.15%	2.72%	71
Pittsfield	131,766	526,893	658,659	1.43%	1.79%	201
Plainfield	4,401	2,204	6,606	0.31%	0.93%	316
Plainville	84,632	13,273	97,905	0.22%	1.65%	221
Plymouth	664,297	868,165	1,532,462	1.32%	2.33%	112
Plympton	43,910	19,497	63,407	0.71%	2.31%	117
Princeton	92,588	11,255	103,842	0.30%	2.73%	68
Provincetown	57,930	15,028	72,958	0.18%	0.89%	324
Quincy	283,998	552,246	836,243	0.64%	0.97%	312
Randolph	90,305	100,139	190,444	0.41%	0.78%	333
Raynham	175,184	101,879	277,063	1.12%	3.05%	52
Reading	289,076	19,711	308,788	0.07%	1.16%	292
Rehoboth*	144,386	26,319	170,705	0.35%	2.29%	120
Revere	49,320	195,766	245,085	0.55%	0.69%	338
Richmond	30,729	6,357	37,086	0.28%	1.65%	220
Rochester	82,187	35,315	117,502	0.96%	3.21%	44
Rockland	236,176	68,508	304,684	0.59%	2.62%	80
Rockport	81,715	11,411	93,126	0.13%	1.04%	303
Rowe	1,584	1,360	2,944	0.07%	0.15%	348
Rowley	72,680	24,303	96,983	0.55%	2.19%	133
Royalston	5,495	1,701	7,196	0.29%	1.24%	286
Russell*	27,641	2,185	29,826	0.17%	2.32%	114
Rutland	146,406	9,619	156,025	0.25%	4.12%	18
Salem	152,658	462,860	615,519	1.11%	1.47%	255
Salisbury	92,955	31,075	124,029	0.46%	1.84%	186
Sandisfield	10,810	1,654	12,464	0.13%	0.99%	310
Sandwich	372,643	174,263	546,906	0.81%	2.53%	90
Saugus	129,023	321,585	450,608	1.15%	1.61%	227
Savoy	9,375	1,604	10,979	0.35%	2.42%	97
Scituate	297,012	19,133	316,146	0.09%	1.47%	257
Seekonk	103,216	146,354	249,570	0.99%	1.68%	212
Sharon	447,060	82,858	529,918	0.37%	2.36%	105
Sheffield	55,077	15,927	71,004	0.41%	1.84%	187
Shelburne	15,329	7,044	22,373	0.46%	1.45%	260
Sherborn	148,220	9,776	157,996	0.12%	1.91%	176
Shirley	106,541	18,907	125,448	0.59%	3.90%	24
Shrewsbury*	580,896	86,393	667,289	0.37%	2.85%	59
Shutesbury	49,451	3,543	52,994	0.18%	2.65%	76
Somerset	105,726	326,892	432,617	1.20%	1.58%	234
Somerville	246,808	356,905	603,713	0.72%	1.22%	287
South Hadley	147,774	54,936	202,710	0.48%	1.76%	204
Southampton	89,392	5,091	94,483	0.14%	2.63%	78
Southborough*	401,163	82,979	484,141	0.81%	4.72%	8
Southbridge	61,667	89,089	150,755	1.03%	1.74%	207
Southwick	204,021	19,498	223,519	0.30%	3.43%	36
Spencer	52,069	45,345	97,414	0.95%	2.03%	162
Springfield	-	-	-	0.00%	0.00%	351
Sterling	200,618	34,511	235,129	0.53%	3.63%	28
Stockbridge	40,033	19,288	59,321	0.51%	1.57%	237
Stoneham	191,534	154,254	345,788	0.70%	1.57%	240
Stoughton	232,127	255,145	487,272	0.96%	1.82%	190
Stow	112,602	32,222	144,824	0.40%	1.81%	194
Sturbridge	107,097	55,393	162,489	0.69%	2.03%	164
Sudbury*	469,107	54,790	523,897	0.22%	2.07%	157
Sunderland	42,867	4,783	47,649	0.22%	2.16%	142
Sutton	155,134	14,495	169,629	0.24%	2.86%	58
Swampscott	120,514	62,057	182,571	0.33%	0.96%	313
Swansea	142,224	128,857	271,081	1.04%	2.19%	134
Taunton*	365,129	428,620	793,749	1.37%	2.53%	89
Templeton	39,240	6,023	45,263	0.28%	2.11%	149
Tewksbury	302,222	237,649	539,871	0.86%	1.95%	172
Tisbury	150,360	67,996	218,356	0.77%	2.48%	93
Tolland	5,476	1,108	6,584	0.27%	1.61%	228
Topsfield	156,353	14,615	170,967	0.19%	2.25%	124
Townsend	105,025	41,790	146,815	0.68%	2.38%	103
Truro	53,698	4,445	58,143	0.12%	1.59%	232
Tyngsborough	378,326	62,615	440,941	0.66%	4.64%	10
Tyringham	9,076	1,823	10,898	0.27%	1.64%	225
Upton	150,813	6,589	157,402	0.16%	3.85%	25
Uxbridge*	162,053	50,653	212,706	0.67%	2.80%	63
Wakefield	179,830	133,325	313,156	0.47%	1.11%	295
Wales	24,258	7,650	31,908	0.58%	2.40%	99
Walpole	334,836	137,614	472,450	0.61%	2.09%	151
Waltham	267,793	1,535,268	1,803,061	2.14%	2.52%	91
Ware	71,510	52,295	123,805	0.92%	2.17%	140
Wareham	91,947	55,701	147,648	0.33%	0.88%	325
Warren	39,140	63,691	102,832	2.29%	3.69%	27
Warwick*	10,433	789	11,222	0.12%	1.66%	219
Washington*	6,891	654	7,545	0.15%	1.74%	206
Watertown	90,404	141,357	231,760	0.40%	0.65%	340
Wayland	459,204	24,613	483,817	0.11%	2.09%	152
Webster	59,836	85,041	144,877	0.98%	1.67%	217
Wellesley	467,660	200,718	668,377	0.51%	1.68%	213
Wellfleet	75,616	8,111	83,727	0.15%	1.52%	247
Wendell	11,474	4,772	16,246	0.59%	1.99%	170
Wenham	63,407	2,834	66,241	0.06%	1.36%	278
West Boylston	70,154	24,226	94,380	0.38%	1.46%	258
West Bridgewater	52,717	83,357	136,074	1.10%	1.80%	196
West Brookfield	22,803	2,407	25,210	0.11%	1.16%	293
West Newbury	127,699	4,164	131,863	0.09%	2.84%	60
West Springfield	98,259	276,921	375,180	0.98%	1.32%	281
West Stockbridge	36,115	4,801	40,916	0.21%	1.81%	192
West Tisbury	111,536	16,414	127,950	0.35%	2.72%	70
Westborough	736,038	306,364	1,042,403	1.24%	4.20%	16
Westfield*	314,771	348,682	663,453	1.24%	2.36%	106
Westford	789,789	208,392	998,180	0.96%	4.60%	11
Westhampton	32,906	2,543	35,449	0.19%	2.66%	75
Westminster	88,472	41,667	130,138	0.86%	2.68%	73
Weston	457,150	72,528	529,678	0.30%	2.21%	129
Westport	124,448	17,844	142,292	0.17%	1.37%	277
Westwood	293,112	125,300	418,413	0.52%	1.74%	208
Weymouth	260,004	221,275	481,279	0.51%	1.10%	296
Whately	22,166	17,035	39,201	1.07%	2.47%	94
Whitman	128,986	21,722	150,708	0.24%	1.64%	223
Wilbraham	198,028	33,100	231,129	0.25%	1.73%	209
Williamsburg	26,789	3,512	30,301	0.17%	1.49%	253
Williamstown	49,556	31,628	81,184	0.48%	1.24%	285
Wilmington	367,249	345,489	712,739	1.26%	2.61%	82
Winchendon	82,327	12,776	95,103	0.28%	2.08%	154
Winchester	293,081	36,761	329,842	0.12%	1.10%	299
Windsor	7,340	972	8,312	0.14%	1.17%	290
Winthrop	22,395	18,442	40,837	0.17%	0.38%	346
Woburn	168,331	697,845	866,176	1.72%	2.14%	144
Worcester	221,712	2,067,577	2,289,288	1.69%	1.87%	179
Worthington	20,665	2,827	23,492	0.26%	2.17%	139
Wrentham	242,282	108,096	350,378	1.07%	3.47%	34
Yarmouth	201,996	40,761	242,757	0.17%	1.02%	304

* Average FY95-FY97

ACG as a percent of Ave LL — Average Commercial Growth as a percent of average Levy Limit
ATG as a percent of Ave. LL — Average Total Growth as a percent of average Levy Limit

Table 1

Effects of New Growth
➡ *continued from page three*

consistent over the three years (FY96, 52 percent and 49 percent; FY97, 55 percent and 45 percent; FY98, 54 percent and 46 percent).

For individual communities, the ratios of residential and commercial new growth over the three-year period ranged from five percent residential and 95 percent commercial for Boston, to 99 percent residential and one percent commercial for Gosnold. Five of the six communities with low rates of residential growth were urban communities. In addition to Boston, these communities were Lawrence (six percent and 94 percent), Everett (nine percent and 91 percent), Lee (10 percent and 90 percent), Worcester (10 percent and 90 percent) and Holyoke (11 percent and 89 percent). The communities with the highest rates of residential growth relative to commercial were all small towns. In addition to Gosnold these communities included Alford (98 percent and two percent), Dunstable (98 percent and two percent), Carlisle (98 percent and two percent), Leverett (97 percent and three percent) and Merrimac (97 percent and three percent).

Table 1 shows the average amount of new growth applied to the levy limit for each community in Massachusetts for FY96 through FY98. It shows the amounts for residential and open space (listed as residential in the *Table*), commercial, industrial and personal property (listed as commercial in the *Table*), and the total amount. It also shows average residential new growth and average total new growth as a percent of the average levy limit for FY96 through FY98 and the rank on total new growth as a percentage of levy limit. Data for FY95 through FY97 were used for those communities which did not have certified new growth for FY98 at the time this article was written. These communities are indicated with an asterisk in the table. Springfield, Lynn and Lawrence were at the levy ceiling in FY97 and FY98 and had no new growth applied to the levy limit either year. Holyoke and Lowell were able to use a portion of their new growth before they reached their levy ceiling in FY98.

Finally, new growth is based on increases in value during the preceding full calendar year. Thus, for example, new growth for FY98 is based on the growth reported in calendar year 1996 with an assessment date of January 1, 1997. A local option allows new construction between January 2 and June 30 to be taxed in the upcoming fiscal year beginning July 1 (M.G.L. Ch. 59 §2A). This reporting method results in some communities having a transition period of 18 months in the year of implementation. Since the current analysis is based on a three year average this should not have a significant effect on the results.

Statewide Patterns

Figure 1 divides communities into low, medium and high levels of total new growth as a percentage of the levy limit. The map shows that highest levels of new growth tend to be clustered around the Route 495 belt, with the lowest levels of new growth inside Route 128 and in western Massachusetts. Since residential new growth accounts for over 50 percent of total new growth, its pattern roughly parallels the pattern for total new growth.

continued on page seven ➡

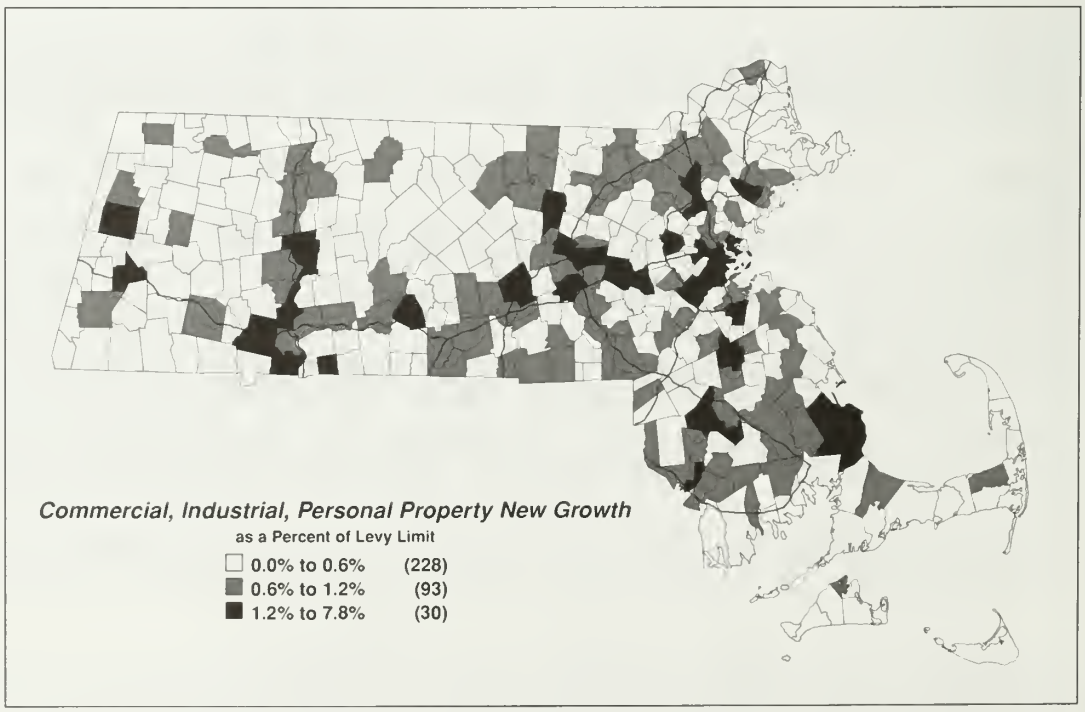

Figure 2

DLS UPDATE

Sewer Rate Relief

A total of $49 million in sewer rate relief funds was distributed to 115 cities and towns for FY98. The 52 Massachusetts Water Resources Authority (MWRA) member communities received most of the relief, more than $40.8 million. The South Essex Sewerage District received $2 million, and 78 cities, towns and commissions received the remaining $6.1 million. Some communities receive funds for more than one purpose.

Thirteen communities received state aid for the first time to help fund clean water projects. They are Auburn, Charlton, Chelsea, East Longmeadow, Edgartown, Gardner, Lynnfield, Milford, Northboro, Swampscott, Templeton, Wayland and Weston.

For FY98, eligible debt was defined as debt for water pollution control projects, issued after January 1, 1990, with a maturity greater than five years. Projects which received state construction grant assistance are ineligible, as are projects financed through the Massachusetts Water Pollution Abatement Trust which received financing subsidies, unless the amount exceeded $50 million dollars on June 30, 1995.

The Division of Local Services administers the program in consultation with the Department of Environmental Protection. Communities receiving funds after sewer rates have been set must certify that the aid distributed from the Fund has been, or will be, applied to the reduction of sewer rates. ■

Easier State Tax Filing

The Department of Revenue is expanding its array of technology-driven filing programs for the 1998 tax season, offering taxpayers the ease and convenience of filing their state income taxes without paper. Telefile will be offered to Form 1 filers this year. Form 1 is the longer tax return form. It can be Telefiled if taxpayers meet certain criteria. Telephone icons alert taxpayers to whether they can use Telefile or not.

"There is an information technology revolution going on all around us and DOR is at its cutting-edge. We will continue to develop and implement new systems to benefit both the taxpayers and the Department," said Revenue Commissioner Mitchell Adams.

More than 500,000 taxpayers filed their 1996 state income tax returns by electronic means. They Telefiled, PC filed and filed electronically through their tax preparers. DOR anticipates an increase in the number of 1997 returns filed via electronic methods.

Taxpayers will be able to electronically file returns from their personal computers once again this year. DOR will offer three different methods of PC File, all of which are free of charge. In addition, taxpayers may use a commercial package that can electronically file both a federal and state income tax return. DOR will provide a link on its website to the vendor that will be offering this service. Also new this year, tax preparers will be allowed to Telefile and PC File on behalf of their clients. In addition, direct deposit will be available for all filers, and forms will be on CD-ROM.

Taxpayers who have access to the World Wide Web have also been able to e-mail DOR since January. Questions and comments can be sent to DOR through the feedback section on DOR's home page found at www.state.ma.us/dor.

DOR's Customer Service Center is open Monday through Friday from 8:45 a.m. to 5 p.m. From January 15 though April, there will be extended hours. To reach Customer Service call (617) 887-MDOR (6367) or toll-free within Massachusetts, 1-800-392-6089. Taxpayers may also order forms and check on the status of their refunds through the customer service phone lines listed above. The phone lines contain 24-hour-a-day interactive voice response system. ■

Effects of New Growth

➡ *continued from page six*

Figure 2 looks at commercial, industrial and personal property new growth as a percentage of the levy limit. Here the pattern is somewhat different. There is still a belt of moderate new growth along Route 495. However, the urban centers of Boston, Worcester, Springfield and Pittsfield have high levels of new growth along with places where there has been shopping mall construction or renovation. In fact, the five communities with the highest rate of commercial new growth all had malls constructed or renovated: Berlin, Lee, Holyoke, Natick and Peabody. ■

Municipal Fiscal Calendar

April 1
Collector: *Mail 2nd Half Semi-annual Tax Bills*

Opportunities for Training

Assessment Administration: Law, Procedures and Valuation (Course 101) will be held at Holyoke Community College on Tuesday evenings beginning March 31, 1998.

New! A *Classification Training Workshop* will be given on Wednesday, April 8, 1998, at 7:00 p.m. at the Lowell Sheraton Riverfront Inn. Call Barbara LaVertue for required preregistration.

A *Classification Training Workshop* will be given on Tuesday, May 19, 1998, in Room C309 at Holyoke Community College.

"What's New in Municipal Law" will be held on May 15, 1998 in West Springfield and on May 22, 1998 in Framingham.

New Officials Finance Forum for newly elected or appointed officials will be held in Auburn on Friday, June 5, 1998.

Data Bank Highlight

This month's Focus article looks at new growth as a percent of levy limit. The Municipal Data Bank has several reports which relate to communities' tax levies and assessed values. The Levy Limits Components report shows the values of the levy limit base, new growth, override and levy ceiling for the last five years. The Municipal Revenue Growth Factor report shows certified new growth as a percent of the previous year's levy limit. Two other reports: Tax Levy by Class and Assessed Values by Class include five-year histories for one or more cities or towns.

To obtain Municipal Data Bank information contact: Stan Nyberg, Dora Brown or Debbie DePerri at (617) 626-2300 for printed reports and data files; Burt Lewis at (617) 626-2358 for the On-Line Access System; or use the World Wide Web address below.

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS World Wide Web site at **http://www.state.ma.us/dls** or by writing to PO Box 9655, Boston, MA 02114-9655.

Marilyn H. Browne, Managing Editor

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CITY & TOWN

Mitchell Adams, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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The Future of Municipal Computing?

Written by David Davies

Dramatic changes in computer technology are indications that the future will demand profound shifts in technology strategies and staffing. Year 2000, system obsolescence, and computer industry marketing will soon cause many local governments to purchase new systems. The new computers will be more powerful, the software will be more complex, and the staff to make it all work may not be available.

Local governments that previously could manage with volunteer or improvised staffing now find themselves considering their first-ever Management Information Systems (MIS) director. The problem is that the proposed salaries may not generate much interest. The Information Technology Association of America (ITAA) recently estimated that there are 346,000 available IT jobs in the United States. Even private companies that pay what the market will bear are having difficulty recruiting and retaining skilled and experienced staff.

Private companies deal with the IT staff shortages by either aggressive recruiting and paying higher salaries or by changing the way they do business to minimize staffing needs. Constraints on public sector finance, hiring and firing, make it difficult for local governments to pursue the first option. Therefore, is it realistic to change the way municipal computing is done? Various schemes have been tried over the years to deal with retaining qualified IT workers in local and state government such as facility management contracts, outsourcing, service bureaus, etc. Many of these strategies involve unacceptable costs or control issues.

Technology itself may be the answer. Internet technology offers the possibility of moving the complexity of the network and its staff to central, privately-managed sites. An analogy is the telephone system. An employee can use a phone anywhere to do whatever needs doing by phone. The "user interface" can be a 20-year old Trimline, a new cellular, or a roadside pay phone. No training is required. The phone network itself, with all its hardware and software, is complicated, but that complexity is far removed from the end user. The phone system is no less useful for a worker in a town with 500 people than for a worker in a major city. Anyone who can punch in a number gets the same utility.

Routine business computing could begin to move toward user simplicity. A clerk who enters tax payments eight hours a day or types up board minutes does not need 333MHz performance, CD-ROM, stereophonic sound or network complexities. The fast growing acceptance of the Web has encouraged Internet-based applications. Within the last year, secure database transactions over the Internet have become a reality. Web-enabled public sector accounting, human resource, mapping, and other software solutions have made their debuts. The technology now exists for the following scenario for municipal computing:

A clerk in a small town turns on a computer (a $3,000 Pentium II, a $300 NC, or even an aging 386 with a $50 modem) that connects to the Internet using a toll-free number on a secure line. The clerk enters tax payments in the usual way to a server that only allows access to authorized officials from the community. The posted transactions update that community's financial database on a central server. Authorized local officials can update, query, and generate reports as if the server was physically in the town hall. Local control is maintained. The server, however, may be 100 miles away. Such a model could feature:

- **Lower cost.** The central server stores many communities' data so the cost of server hardware, software and staffing is shared.
- **Professional management.** A consortium of communities contracts with one or more private Web hosting firms who perform daily verified backups, have a tested disaster plan, built-in redundant systems, and maintain up-to-date security and state-of-the-art MIS standards. If the firm fails to perform, the vendor is replaced.

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LEGAL *in Our Opinion*

Q: *Has there been a change in the valuation of motor homes for purposes of motor vehicle excise assessment?*
A: The Registry of Motor Vehicles, in conjunction with municipal assessors, has refined the process for the assessment of motor homes. Previously, mobile homes and trailers had been assessed only on the chassis. The new method used is valuation of the entire vehicle. This change has resulted in substantially higher excise bills for affected vehicles and increased revenues for local communities.

Q: *Voters approved a Proposition 2½ capital outlay exclusion under M.G.L. Ch.59 Sec.21C (i½) for the acquisition of modular classrooms. Is the school department now free to purchase the modular classrooms?*
A: Approval of the referendum by the voters does not mandate, but merely allows the community to raise property taxes in excess of the levy limit to pay for certain capital items. The favorable vote, however, does not permit the community to purchase those capital items unless town meeting, the town council, or the city council, as the case may be, has appropriated sufficient funds for such purposes prior to the setting of the tax rate for the fiscal year.

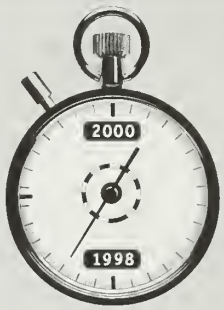
Q: *An unincorporated business was assessed personal property taxes. The owner claimed the equipment was leased and he was not responsible for the taxes. When the board of assessors asked the owner to produce a copy of the lease, he furnished an installment sale contract instead. Were the local property taxes properly assessed?*
A: Yes. As a general rule, leased equipment is exempt if it is the stock in trade of a leasing corporation (M.G.L. Ch.59 Sec.5 Cl.16). The leased equipment is taxable neither to the lessor nor to the lessee. Any local tax would constitute double taxation since the value of the stcck in trade is included as a measure of the corporate excise of the lessor corporation under Ch.63 Sec.30.

The Department has advised assessors that an installment sale or conditional sale agreement is considered a sale for property tax purposes in Massachusetts, even if the agreement stipulates that title to the personalty is retained by the lessor until the end of the agreement. Under the Uniform Commercial Code[1] such a retention of title is considered to be merely a security interest. In this instance, the unincorporated proprietor was the owner of the equipment for assessment purposes and was not eligible for exemption.

Q: *A town cemetery department receives money both for the sale of lots and for their perpetual care. For what purposes can these funds be expended?*
A: Proceeds from the sale of lots are placed in a receipts reserved account, for further appropriation by town meeting for the care, improvement, embellishment or enlargement of the cemetery (M.G.L. Ch.114 Sec.15). Perpetual care funds are also separately listed in a municipality's books and records, and invested by the treasurer. The cemetery commissioners may directly expend the perpetual care income for the maintenance of the cemetery and the cemetery lots (M.G.L. Ch.114 Sec.25). There is no appropriation of cemetery perpetual care funds by town meeting. All expenditures, however, must appear on a duly approved warrant signed by the board of selectmen and the accountant. ■

Compiled by James Crowley

[1] *M.G.L. Ch.106 Secs. 1-201(37) and 2-401(1).*



Countdown to Y2K
See page 8 for a reminder about Year 2000 compliance for local governments.

Charter School Funding Changes

Several changes in charter school funding will affect FY99 budget planning. Below-foundation municipalities will no longer receive charter aid as part of their Chapter 70 allotment. Instead, all municipalities, above or below foundation, will be eligible for charter school tuition reimbursements under a new formula separate from Chapter 70. The amount of reimbursement will be based on the actual increase in your charter tuition expense over the previous year. In FY99 you will receive 100 percent of your FY99 increase, which will decline to 60 percent in FY00, 40 percent in FY01, and zero in FY02 and beyond. Each subsequent year's increase will be reimbursed on the same 100–60–40–0 scale.

The Board of Education recently granted eight new charters. Local officials will shortly be receiving enrollment estimates for each charter school from the Department of Education, which can be used to estimate FY99 tuition obligations.

Charter school tuition reimbursements are treated as general school revenues and cannot be used to help meet the municipality's net school spending requirement. Reported spending is reduced by these school revenues when determining net school spending compliance. ■

Focus on Municipal Finance

Timely Tax Rate Setting

History indicates that it takes the Division of Local Services' Bureau of Accounts an average of three to five business days to process a tax rate, predicated on receipt of complete and accurate data. This average is affected by the number of communities in the pipeline ahead of your community and the availability of local finance officials to answer questions which may occur. Deadlines for setting timely tax rates and mailing tax bills depend on the billing method: semiannual or quarterly. Quarterly communities issue the first two preliminary tax bills in July and October each year and must mail the actual tax bills by December 31. Semiannual communities traditionally mail their first half tax bills on or before September 30. This article looks at the large number of fiscal participants involved in the tax rate setting process, examines when tax rates were set in FY98 and suggests ways to ensure that timely tax bills will be mailed according to your community's timetable.

Planning is the key. Fortunately, a major unknown in the planning process was eliminated last December by Chapter 237 of the Acts of 1997. Now quarterly billing communities can issue a third quarter estimated tax bill for **valuation** related issues with the approval of the Commissioner of Revenue. Previously, yearly statutory authorization was required and cities and towns were never quite sure if it would happen. This uncertainty led to municipalities scrambling at the last minute to set a rate, ready or not, to meet the immovable December 31 tax bill mailing date. Communities now have somewhat more flexibility and can realistically plan their work and eliminate errors that frequently occur as the result of last minute rushing.

It is obvious when you look at *Table 1* that there are a lot of participants involved in the tax rate setting process, and even more in a certification year. *Table 1* presents a central box representing the tax rate setting process with the star, July 1, denoting the new fiscal year. Within that box are smaller boxes that describe major steps by various participants in the annual tax rate setting process. On the perimeter of the central box, we have illustrated the certification process that occurs once every three years, including target dates for either quarterly or semiannual billing municipalities. The text around the outer edges gives a brief summary of the general duties of the key municipal fiscal participants.

Communities should not make planning decisions in isolation. For example, all communities deal with the Division of Local Services (DLS) for tax rate setting annually and recertification every third year. Also, many cities and towns use contractors for revaluation and service bureaus for printing tax bills. These outside entities can have a significant impact on your timetable. Scheduling should allow extra time for the unknown. All contracts involving outside vendors should have realistic timetables for the delivery of services and/or goods, realizing that vendors frequently have many communities wanting the same services at the same time.

The same holds true for the Division of Local Services. Not only do communities have to plan, DLS must plan as well. In a certification year planning is even more crucial. Bureau of Local Assessment notes, through community

continued on page six ➡

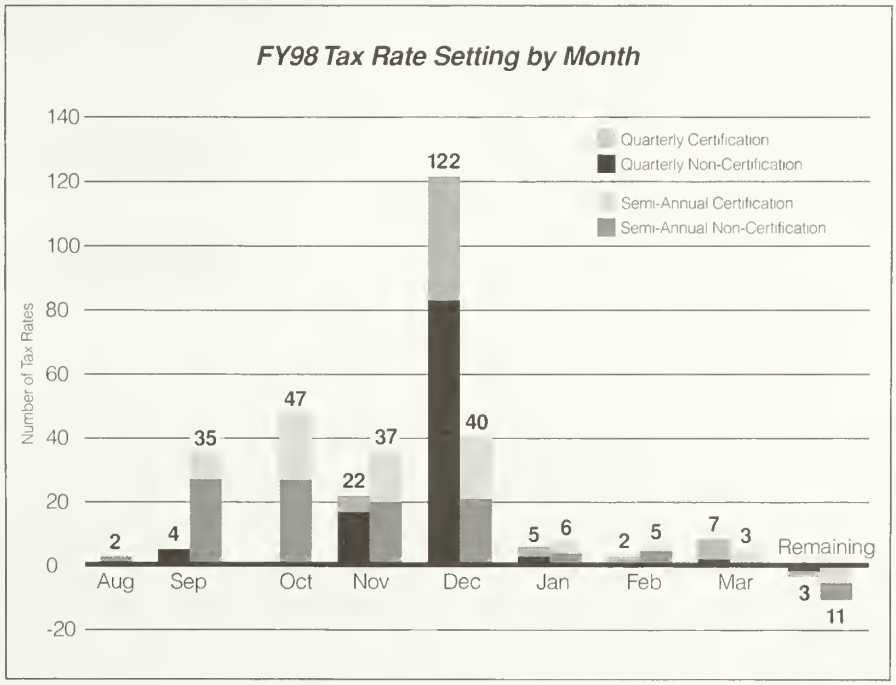
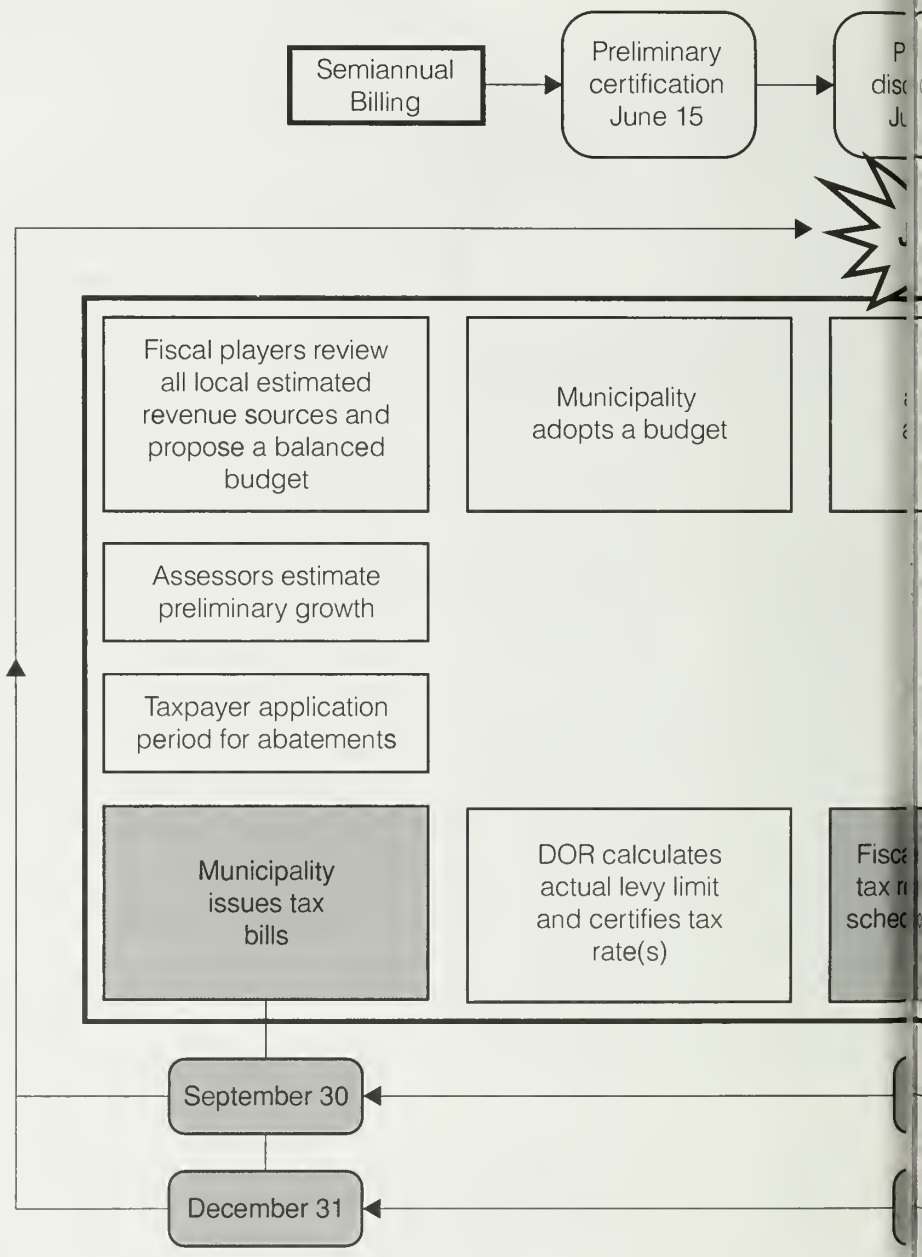


Figure 1

Table 1

Planning for Recertification* and Tax Rate Set



* While the first three steps of the certification process (preliminary to final certification) are requir preformed annually as a part of the tax rate setting process.

Municipal Fiscal Participants

Board of Selectmen

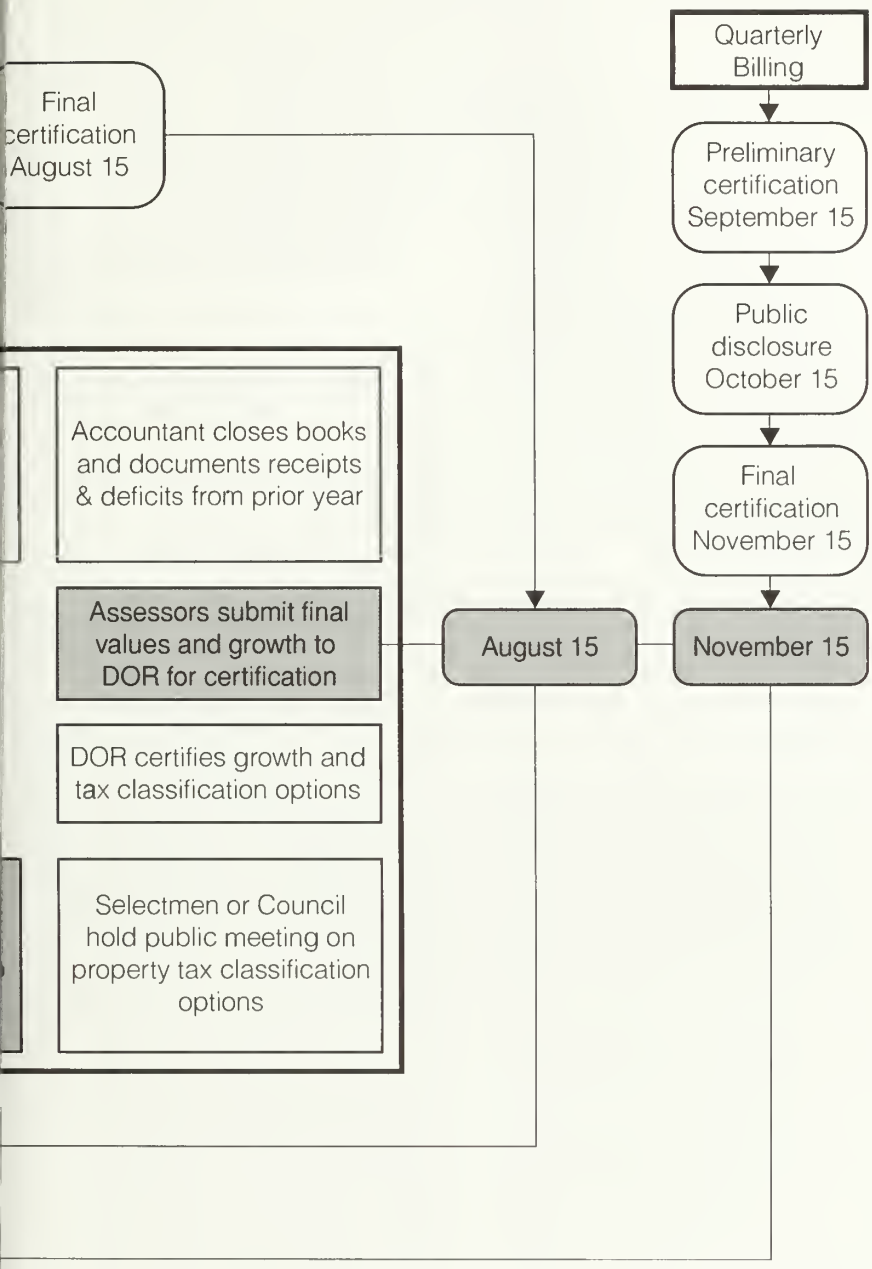
The chief executive body of a town is the board of selectmen. The board of selectmen coordinates the general operations of the town government. It monitors the financial performance of the town and participates in the budget process. The selectmen should assume an active role in any issue or policy that has broad financial implications for the town. Town employees are appointed and supervised by the selectmen and expenditures are approved by the selectmen through the warrant process. In addition, the selectmen issue warrants to call town meetings and elections and sign debt issues for the town. Under Proposition 2½, the selectmen decide whether to seek voter approval of an override or exclusion to raise additional tax revenues for the budget. They also decide whether to accept the debt exclusion that shifts all or part of water and sewer debt service costs from user fees to tax levy. Allocation of the tax levy among property classes under the Classification Law is another decision made by the selectmen. Typically, the board of selectmen chooses an audit firm to conduct an annual audit of the town accounts.

Mayor or Manager

The chief executive in city government is the mayor or manager. The mayor or manager of a city acts as the city administrator. The mayor's responsibilities include submitting a budget to the city council, appointing personnel, negotiating collective bargaining and signing debt issues. Towns may establish the position of Town Manager or Town Administrator in a town charter or by a special act of the legislature. The responsibilities of such a role, and consequently its effect on the duties of the board of selectmen, vary according to the authorizing language.

Council or Town Meeting

The structure of the legislative body of the municipality is determined by the municipality's status as a city or town. The city council is the legislative body in a city and the town meeting is the town legislative body. In a few towns a town council is the legislative body. The basic functions of these bodies are the same. The city council and town meeting/town council make budget appropriations and authorize debt. The city council and town meeting/town council also enact ordinances, bylaws and regulations. The city council may reduce budget amounts submitted by the mayor and place Proposition 2½ questions on the ballot with the mayor's approval. In addition, the city council allocates the tax levy under classification with the mayor's approval.



ars, the last three steps (shaded gray) are

Finance Committee

Towns in Massachusetts have instituted finance committees to review departmental budgets and make recommendations to the town meeting. Another important function of the finance committee is its role in the transfer of money from a town's annual reserve fund. The finance committee's approval is required to transfer money from the town's reserve fund.

Treasurer

In a city or town the treasurer functions as the cash manager of all of the municipality's funds. The treasurer is responsible for the deposit, investment and disbursement of funds and can issue debt on behalf of the municipality. In addition the treasurer selects, procures and manages the banking services used by the municipality.

Assessors

Assessors are responsible for maintaining a database of all of the properties in the municipality. The assessors also determine the property values and classify all of the property in the community. The annual Tax Rate Recapitulation Sheet and annual allowable levy growth report are prepared and submitted by the assessors. The assessors determine the amount of property taxes to be paid by each taxpayer and grant abatements and exemptions to taxpayers. The assessors are also responsible for administering motor vehicle, boat and farm excises.

Accountant or Auditor

The accountant or auditor maintains all of the municipality's financial records and reviews the bills and payrolls to ensure that they are within budget and are lawful expenditures. The accountant or auditor retains custody of all municipal contracts and prepares financial reports for the municipality. Additionally, the accountant or auditor issues monthly reports for each department on spending to date versus the budget.

Collector

The collector collects taxes and other receipts such as fees, licenses and permits in the community as authorized. Property taxes may be collected on a semiannual or quarterly cycle depending on local option.

City or Town Clerk

The clerk records appropriations and certifies them to the proper officers in the municipality. It is the clerk's duty to notify the Department of Revenue of the notes to encumber debt. In a city the clerk also retains copies of contracts and municipal records. ■

Timely Tax Rate Setting
➡ *continued from page three*

submissions of revaluation contracts and workplans, when important tasks are scheduled to be completed for review. These tasks include land schedules, residential and commercial values (to name a few). Often timetables are changed without informing DLS; other times communities do not strictly enforce them. These deviations from the schedule make it difficult and sometimes impossible to have certification appraisal staff available when the community is ready.

In fiscal year 1998, there are 186 semiannual tax billing communities (53 percent) and 165 quarterly billing communities (47 percent). *Figure 1* shows the tax rate setting patterns by month separately for quarterly and semiannual billing communities. Within each of those two monthly vertical bars, we have indicated how many communities had their property valuations recertified. One would think that the majority of semiannual billing communities would have their tax rates set by October. However, that is not the case. Only 84 communities, or 45 percent, accomplished the task in time for the September 30 bill. It appears that tax rate setting of semiannual communities is relatively evenly spread between September and December with nearly 87 percent complete by the end of the calendar year. Seventy-four percent of quarterly billing communities set tax rates in December. That means that 46 percent or nearly half of all communities in the Commonwealth set their tax rate in December.

DLS issued a Bulletin in April, Realistic Planning for Recertification and Tax Rate Setting, that suggests target dates for tax rate setting and triennial recertification. Should a community not meet the target dates, DLS recommends the use of preliminary tax bills to ensure adequate cash flow. Every effort will be made to accommodate communities, however, we cannot guarantee that communities submitting after these dates will receive final certification or that the tax rate will be set so actual tax bills can be mailed on either September 30 or December 31.

Consequently, we have some suggestions to facilitate timely rate setting. The members of the financial team should work closely to establish target dates, share problems and create solutions. First, establish the date you wish to send out your tax bills and then work backwards to determine when vital tasks should be accomplished. Monitor contractors closely to be sure they keep to their schedules. Be aware of periods of heavy workloads for various local officials, contractors and DLS, and plan accordingly. Notify DLS when your timetables change and provide preliminary information whenever possible, so that we can adapt as much as possible to your needs and provide assistance when necessary. Try not to be too ambitious particularly in a certification year since this can lead to delays. Specifically, DLS recommends that you do not implement a new tax mapping system or a new valuation system in that year. Build in plenty of time for unforeseen occurrences to be sure you can accomplish your goals realistically. Keep in mind that while the Bureau of Accounts is busiest in the month of December setting tax rates, the Bureau of Local Assessment is busiest in the preceding months completing on-site recertification reviews. Tax rate setting involves many participants and if we all work cooperatively, we can achieve our mutual goal of getting that rate set in a timely manner. ■

Written by Marilyn H. Browne
Graphics by Melinda J. Ordway and Donna Demirai
Statistics by Anthony Rassias

The Future of Municipal Computing?
➡ *continued from page one*

- **Choice of software.** Any vendor who Web-enables its applications can offer versions through such a network.

- **Improvements for smaller communities.** Smaller towns would not lag behind larger communities in technology and their financial data would not be at risk due to inadequate system administration.

- **Internet-based services.** Future possibilities are endless, but would be aided by concentrating purchasing power, proven ideas, and contractual safeguards.

- **Important "little things."** For example, easy to use e-mail within and among municipalities allow municipal business to be conducted at home, in another office, or out-of-state, making location irrelevant. Electronic transfers from mortgage companies' taxpaying services, centralized mailing and lockbox services, etc. can improve cash flow and remove burdensome clerical duties.

An argument can be made that the preceding scenario will occur because of the difficulty in finding, paying and retaining high level technology staff. In the short run, the concept should be tested. If enough communities express interest, there may be state and/or federal funding for a demonstration project.

The Division of Local Services (DLS) encourages interlocal agreements to promote regional solutions. DLS would be willing to assist interested local governments in facilitating agreements with other state agencies and appropriate blanket vendors. The potential for this concept, however, lies in contracting with the private sector. For further information contact David Davies, Director of Information Technology, at (617) 626-2383. ■

DLS UPDATE

Purchasing Course Update

Participation in the Massachusetts Certified Public Purchasing Program (MCPPO) has been outstanding. Authorized by the legislature in 1996 to establish a training program to promote professionalism in public contracting, the Office of the Inspector General has awarded over 600 course completion certificates. Program graduates are now eligible to apply for MCPPO designations.

Seminars currently being offered are: *Public Contracting Overview* (formerly general certification) and *Supplies & Services*. Each three-day seminar provides a comprehensive overview of legal requirements for public contracting and hands-on workshops that apply contracting knowledge and skills to practical problems faced by procurement officials. Anyone with responsibility for procurement, contract management or oversight, or auditing will benefit from these seminars. Public officials who have recently entered the procurement field and employees who are working in a support capacity will gain valuable insight. Each seminar has been designed to meet national standards for recognition and offer continuing education credits (CPE, CEU and PDP).

1998 Schedule

Public Contracting Overview

May 19–21	Cape Cod
June 9–11	Taunton
July 14–16	Boston
Oct. 6–8	Western Mass.
Dec. 8–10	Boston

Supplies & Services

June 3–5	Boston
June 23–25	Cape Cod
Sept. 16–18	Taunton
Nov. 18–20	Western Mass.

For more information visit the Office of the Inspector General's website at www.state.ma.us/ig/ighome.htm or call (617) 523-1205 for a brochure and registration form. ■

Underground Storage Tank Program

Many communities are struggling with the problem of how to handle underground storage tanks at Department of Public Works garages, and other municipally-owned sites, in order to comply with the December 22, 1998 state and federal compliance deadline. There is a remedy. Municipal Grants Program regulations (503 CMR3) offer grants to cities and towns for the removal and/or replacement of Underground Storage Tanks (UST). The grants can be up to 50 percent of eligible costs. Grants applications must be filed within one year of completing the work.

Grants, which can distribute up to $2,000,000 annually, are divided into four classifications: classification one, leaking USTs; classification two, closure of fuel storage tanks; classification three, USTs used for public safety, schools, hospitals or emergency generators; and classification four, all other USTs. Funding is allocated 40 percent to classification one, 30 percent to classification two, and 15 percent each to classifications three and four. Only one grant application per entity per year is allowed.

Applications will be prioritized based on four criteria: category one, construction of UST; category two, age of UST; category three, proximity to water; and category four, stored petroleum product. For aboveground storage tank (AST) replacement, the application must provide documentation demonstrating that the selected replacement is equal to or less costly than replacement with a new underground fuel storage tank exclusive of environmental concerns. The maximum amount of eligible costs will be the cost of removal and replacement with an underground fuel storage tank.

Grant applications must be signed by the Chief Financial Officer and include the actual costs incurred for the closure, removal and/or replacement of the fuel storage tank system or estimates of expected costs if a city or town is seeking preapproval. Costs should be documented with invoices from contractors qualified to do the work and/or cost estimates from at least two contractors qualified to do the work. Proof of payment should be submitted with the application.

Only costs directly associated with the UST/AST installation and/or removal will be eligible for a grant. Such costs include: purchase and installation of a new UST; piping purchase and installation; disposal of the sludge/liquid from the UST being removed; backfilling; and excavation necessary for UST removal. Ineligible costs include environmental site clean-up, dispensers, dispenser islands, lighting, canopies, fire suppression systems, heat exchangers, engineering report, and any other costs the UST Administrative Review Board determines to be ineligible. If money for this project has been sought or received from any other source, the applicant must notify the Board. For more information about the Underground Storage Tank Program call Bill Alpine at (617) 727-8500 x648. ■

Municipal Fiscal Calendar

May 1

Taxpayer: *Deadline for Payment of Semi-annual and Quarterly Tax Bill Without Interest*

Treasurer: *Deadline for Payment of 2nd Half of County Tax*

Accountant/Treasurer: *Notification of Amount of Debt Due in Next Fiscal Year*
As required by M.G.L. Ch. 44, Sec. 28, the Accountant or Treasurer must notify the Assessors of all debt due in the next fiscal year because the town is required to pay its debts, appropriated or not.

Since all debt service must be paid, any debt service not covered by town meeting appropriations is added to the "Other Local Expenditures" category, found on page 2 of the Tax Recapitulation Sheet. It is important that the Assessors have this information in order to avoid setting a tax rate lower than required and raising insufficient revenue to cover the municipality's expenditures.

May 15

Treasurer: *3rd Quarterly Reconciliation of Cash (due 45 days after end of quarter)*

DOR/BLA: *Commissioner Determines and Certifies Telephone and Telegraph Company Valuations*

Opportunities for Training

A *Classification Training Workshop* will be given on Tuesday, May 19, 1998 in Room C309 at Holyoke Community College.

"What's New in Municipal Law" will be held on May 15, 1998 in West Springfield and on May 22, 1998 in Framingham.

New Officials Finance Forum for newly elected or appointed officials will be held in Auburn on Friday, June 5, 1998.

Contact Barbara LaVertue at (617) 626-2340 for more information.

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Another Reminder

Year 2000 and Local Government

Recently, major federal agencies announced that despite their best efforts, they would not be fully Year 2000 compliant by December 31, 1999. State agencies are dropping or deferring other projects to get back on schedule. Avoid embarrassment and unexpected costs by checking and re-checking now.

- Who is the Year 2000 Coordinator in your community? If you do not know or one has not been appointed, how will your community know it does not face a major problem?
- Don't depend on assurances and assumptions.
- Test critical applications and devices in 1998.
- If you rely on a vendor, see test results and get guarantees in writing. ■

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Mitchell Adams, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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Electric and Telecommunications Appraisal Course

written by Marilyn H. Browne

Massachusetts communities with electric generating facilities will, in most instances, be using new approaches to valuation of generating plants for fiscal year 1999. Chapter 164 of the Acts of 1997 restructures electric utilities in the Commonwealth and alters the way in which these facilities will be valued. The old "net book" valuation methodology, supplied to assessors in the former regulated utility environment, is no longer an option for valuing generation plants. The new statute, effective November 1997, requires full and fair cash valuation of power plants or a binding tax or payment-in-lieu-of-tax (PILOT) agreement that approximates full and fair cash value. Therefore, regardless of which option the community choses, in a relatively short period of time assessors must be prepared to use a different methodology to value these complex entities.

The Division of Local Services (DLS), mindful of the abrupt change in the valuation methodology to be used, is taking an active role in assisting local assessors. On April 7, 1998, DLS issued a request for responses (RFR 98 223) for the development of an *Appraisal Training Course: Electric Deregulation and Telecommunications*. The RFR requests the development of a five-day course in two modules. Module I focuses on electric generation, transmission and distribution. This first section includes valuation methods for public, private, and municipal generating facilities using various fuel sources, excluding nuclear facilities. However, it will cover valuation methods which will apply to telecommunications property as well as electric generating plants.

Module I covers not only local real and personal property valuation but also binding tax and PILOT agreements. Because agreements must be based upon full and fair cash value, assessors must first know how to value the plants in order to assist local officials in negotiating fair agreements for their communities.

DLS is taking an active role in assisting local assessors.

Module II focuses on the rapidly changing telecommunication industry and includes traditional telephone utilities, cellular and other wireless providers, cable television, communication towers, Internet service providers and communication satellites. DLS hopes that many of the questions of local assessors, such as how to value the increasing number of communications towers, will be answered.

Module I will be a prerequisite for the second module since it covers broad valuation methodology. Module II will be offered separately at a later date. Assessors attending both modules should have previously attended a course on the income approach to value. These prerequisites will eliminate the need to repeat certain valuation basics and instructors can spend more time on these new appraisal issues facing assessors.

Initially, this course is likely to be more important to communities with electric generating plants. Such plants often have high assessed values placing them among the top taxpayers in communities, which makes defensible values especially necessary. Time is short and assessors must have plant values ready in advance of the October 1 or December 31 deadlines for semiannual tax billing or quarterly tax billing purposes, respectively.

Module I will be offered from 8:30 a.m. to 5:00 p.m. at the Inn at Northampton, Northampton, on June 16 through June 19 and again at the Endicott Estate in Dedham on June 23 through June 26. Attendance is limited. Assessors in communities with existing and potential electric generating plants will be given preference. For information please call Barbara LaVertue at (617) 626-2340. ■

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LEGAL

in Our Opinion

Q: *A community which has a utility generating facility discovers that the plant has devalued as a result of the Electric Generation Restructuring Act (Chapter 164 of the Acts of 1997.) Is there any way to recapture the lost revenue for fiscal year 1998?*

A: Yes, the community may be entitled to transition payments from the utility company in FY1998. The Act provides for such transition payments in order to insulate other taxpayers from the shift in the tax burden which would otherwise occur. Without such payments, reductions in the tax base due to the devaluation of the generating facility from its FY1997 assessed value would have to be made up by increasing the burden on the remaining taxpayers.

The transition payments can be required by means of a revised assessment. Such revised assessments must be made on the owner by June 20 or 90 days after the mailing of the tax bills, whichever is later.

Q: *A taxpayer placed his home in trust and named his two children as trustees. The taxpayer continued to reside there and paid all local taxes. If otherwise eligible, would the taxpayer qualify for a personal exemption?*

A: No. In a similar situation, the Supreme Judicial Court ruled that the applicant lacked sufficient ownership interest to receive the exemption. See *Kirby v. Board of Assessors of Medford*, 350 Mass. 386 (1966). The taxpayer owned a house in Medford which he placed in trust under a recorded, revocable, amendable declaration of trust. He named a family friend as trustee. Under the terms of the trust, the trustee could lease or sell the property and any proceeds were to be given to the taxpayer. The trust was to continue until the taxpayer's death at which time the assets were to be distributed in accordance with the terms of his will. When the Board of Assessors denied the taxpayer an elderly exemption under M.G.L. Ch.59 Sec.5 Cl.41, he appealed. The Supreme Judicial Court ultimately had to decide whether the taxpayer's ownership interest under the trust satisfied the ownership requirement of the exemption statute.

The Court ruled that the property was properly assessed to the trustee who had legal title. By the recorded deed, the taxpayer had conveyed legal title to the trustee, subject to the terms of the declaration of trust. The taxpayer's lawyer argued that his client's power to amend or revoke the trust at any time gave him essentially outright ownership of the property. The Court held that the taxpayer, by placing his property in trust, *voluntarily* chose to separate legal title and beneficial ownership. Furthermore, under the principle of strict construction of exemption statutes, the Court held that in order to satisfy the ownership requirement, an applicant for exemption must hold both legal title and a sufficient beneficial interest.

In the case at hand as in *Kirby*, the applicant did not hold the record legal interest since it had been vested in the trustees who were the children. No exemption, therefore, could be granted.

Q: *A taxpayer filed for a real estate tax abatement which the assessors granted. The board of assessors later realized that the condition of the property may have warranted a greater abatement. Does the board have jurisdiction to grant an additional abatement?*

A: No. Once the assessors act on an application by approving an abatement or denying it outright, the assessors have no further jurisdiction unless the applicant appeals to the Appellate Tax Board or county commissioners within three months of the assessors' action.[1] At any time while the matter on appeal is still pending, the assessors can compromise and settle the dispute by granting an abatement as provided in M.G.L. Ch.58A Sec.7.

In a situation where the assessors take no action on an application for abatement within three months from the date of filing, the application is denied by operation of law. During the next three months, the applicant can appeal this deemed denial. However, the assessors can settle the matter during this period even if no appeal has actually been filed.[2] State statute does give greater leeway to assessors to grant an abatement where an application has been deemed denied. ■

Compiled by James Crowley

1. M.G.L. Ch.59 Secs.64 & 65.
2. M.G.L. Ch.58A Sec.6 & M.G.L. Ch.59 Sec.64.

Reminder to City and Town Clerks — Submit New Assessors List

Immediately after your annual elections, please submit a certified list with the name(s) of any new assessor(s) with the name of the person he/she replaced. If the new assessors have already completed DOR Course 101 and/or the Classification Workshop, please include this information. Reporting this information on an annual basis is required by law.

Contact Barbara LaVertue for assistance at (617) 626-2340.

Focus on Municipal Finance

A 15-Year Perspective on Proposition 2½ Overrides

Fifteen years of override experience provides us with an excellent vantage point to examine the impact of overrides on municipal levy limits. An override permanently increases the local levy limit to cover spending purposes that are considered ongoing expenses. The override ballot question specifies the dollar amount and spending purpose of the vote and requires a majority vote of the electorate for approval. Once approved, an override increases the levy limit and, in subsequent years, is included in the levy limit base which is increased annually by 2.5 percent.

In the article that follows, we review statewide override trends and analyze the impact of all overrides voted from FY1983 through FY1997 as a percentage of each community's FY1997 levy limit. Using this historical perspective, we will look at various community characteristics to see if there are any interesting relationships between these characteristics and overrides applied to the levy limit. For example, is it true that small towns are more willing to pass overrides than larger communities? Does a community's property wealth affect the amount of additional taxes residents are willing to pay? Does a high percentage of children attending public schools as a percent of total population affect the likelihood of a community approving an override vote?

Findings

As shown in *Figure 1*, both the dollar amount added to the levy limit and the number of communities approving overrides have declined in each year since FY1991. FY1991 was by far the most active override year with 100 communities approving overrides that increased FY1991 levy limits by $58.5 million. By FY1997, only 17 communities approved overrides that totaled $5.4 million. In the three-year period from FY1990 through FY1992, with local aid decreasing and a weak New England economy, overrides totaling $114.6 million were applied to levy limits statewide. This accounts for 58.5 percent of the total $195.9 million in overrides applied in the 15 years from FY1983 through FY1997.

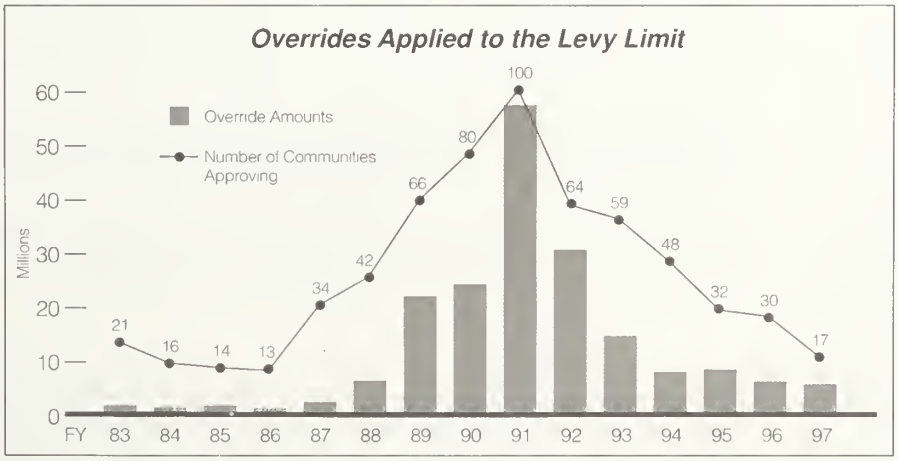
Next, we analyze the impact of overrides on each municipality's FY1997 levy limit (see *Table 1*). To do this, overrides were compounded by 2.5 percent for every year that their initial year of application preceded FY1997. The compounded impact of FY1983–FY1997 overrides statewide totaled $226.1 million or 3.7 percent of the statewide FY1997 levy limit.

In a few cases, overrides contribute more than half of the FY1997 levy limit. For example, in West Tisbury the impact of overrides as a percent of the FY1997 limit is 58.7 percent, the highest in the state. Springfield had the largest dollar amount added to the limit at $12.5 million or 13.2 percent of the FY1997 limit. The city that has increased its levy most significantly through overrides, however, is Holyoke with the impact of overrides totaling 20.6 percent of the FY1997 limit.

To determine if there is a relationship between population and the approval of overrides, we ranked municipalities by population (1996 Census Bureau estimates) and divided them into four equal population groups. The results (see *Table 2*) show that the state's smallest communities (less than 3,370 in population) have approved overrides that, on average, contributed 19.2 percent to their levy limits. In contrast, overrides in the state's largest communities (more than 19,601 in population) account for an average of only 1.9 percent of the FY1997 levy limit. The strong inverse relationship between population and overrides holds through all population groups. For example, when moving from the smallest to the largest population groups, the impact of overrides as a percentage of the levy limit declines by about half for each successive population group.

continued on page six ➡

Figure 1



Impact of Overrides on FY1997 Levy Limit

Municipality	1996 Population	96 EQV per Capita	Pupils as % of Population	Compounded Impact of Overrides Since FY83	FY97 Levy Limit	Overrides As % of FY97 L.L.
Abington	14,683	48,930	16.2%	1,248,469	11,833,600	10.6%
Acton	18,851	88,401	19.0%	3,323,660	29,463,107	11.3%
Alford	413	211,863	12.6%	132,138	604,716	21.9%
Amherst	35,468	29,509	8.7%	1,252,408	18,357,819	6.8%
Arlington	43,656	68,703	9.4%	2,922,427	45,271,632	6.5%
Ashburnham	5,471	46,581	21.6%	490,726	4,009,735	12.2%
Ashby	2,934	44,234	20.6%	213,641	2,091,099	10.2%
Ashfield	1,744	66,496	17.6%	329,657	1,559,549	21.1%
Ayer	7,378	74,603	13.1%	22,413	7,654,141	0.3%
Barnstable	43,699	110,423	16.1%	1,971,479	51,517,322	3.8%
Becket	1,511	137,272	17.9%	190,931	1,971,706	9.7%
Belchertown	11,756	49,599	19.4%	1,114,980	8,992,008	12.4%
Belmont	24,044	98,843	13.6%	2,429,495	33,368,917	7.3%
Berlin	2,332	80,602	14.1%	465,421	3,111,900	15.0%
Bernardston	2,091	49,898	19.4%	242,388	1,699,775	14.3%
Blandford	1,137	73,536	27.7%	41,420	880,453	4.7%
Bolton	3,279	114,894	22.0%	1,510,202	5,823,395	25.9%
Bourne	17,529	82,020	14.2%	2,716,147	17,086,750	15.9%
Boxborough	3,979	101,212	12.4%	207,915	6,328,517	3.3%
Boxford	8,550	88,598	17.4%	927,812	9,331,819	9.9%
Boylston	3,791	69,926	14.9%	377,699	3,851,863	9.8%
Brewster	9,261	121,969	16.4%	656,964	11,897,229	5.5%
Brimfield	3,093	56,578	21.3%	293,442	2,617,992	11.2%
Brookline	54,137	93,254	10.5%	3,109,850	83,387,171	3.7%
Buckland	1,943	53,737	18.1%	135,865	1,552,234	8.8%
Carlisle	4,599	125,020	14.1%	989,260	7,998,187	12.4%
Carver	11,289	43,430	19.6%	2,046,798	9,518,680	21.5%
Charlemont	1,256	48,879	19.0%	131,296	1,190,917	11.0%
Charlton	10,073	52,787	22.1%	232,693	5,633,402	4.1%
Chatham	6,930	234,943	8.9%	2,750,190	11,726,968	23.5%
Chelmsford	33,484	63,601	16.5%	2,901,648	36,821,098	7.9%
Cheshire	3,445	43,391	17.6%	326,889	1,548,668	21.1%
Chester	1,252	51,735	22.6%	161,722	973,082	16.6%
Chesterfield	1,121	55,352	17.4%	160,216	1,122,996	14.3%
Chilmark	764	1,086,468	16.1%	1,206,394	2,328,382	51.8%
Clarksburg	1,683	35,097	17.8%	117,173	863,097	13.6%
Cohasset	7,070	121,164	17.4%	2,011,772	12,295,010	16.4%
Colrain	1,841	51,069	19.9%	104,372	1,352,610	7.7%
Conway	1,644	69,970	20.7%	356,937	1,868,163	19.1%
Cummington	793	76,842	18.0%	28,702	766,536	3.7%
Dedham	23,741	70,927	12.4%	2,257,578	29,643,790	7.6%
Deerfield	4,969	68,646	14.9%	617,578	4,159,427	14.8%
Dennis	14,423	147,833	13.1%	2,289,544	15,205,240	15.1%
Douglas	6,145	53,413	19.7%	215,864	4,465,344	4.8%
Dover	5,383	173,470	16.2%	1,874,348	10,549,004	17.8%
Dunstable	2,585	75,698	19.0%	355,169	2,507,715	14.2%
Duxbury	15,007	93,838	18.6%	1,188,686	23,214,556	5.1%
East Longmeadow	13,890	69,245	18.6%	961,548	16,264,371	5.9%
Eastham	4,855	177,689	15.0%	1,847,105	7,832,227	23.6%
Easthampton	15,744	41,571	13.4%	259,911	8,761,692	3.0%
Easton	20,970	58,610	16.6%	2,469,721	19,336,603	12.8%
Edgartown	3,526	347,965	15.9%	1,978,404	7,828,369	25.3%
Egremont	1,234	148,112	11.9%	346,763	1,779,963	19.5%
Erving	1,376	104,492	18.2%	208,020	2,538,217	8.2%
Essex	3,368	94,890	15.3%	679,734	3,795,358	17.9%
Falmouth	30,451	118,819	16.2%	982,337	37,026,594	2.7%
Florida	733	76,204	20.6%	65,917	1,109,218	5.9%
Framingham	64,536	61,285	12.3%	5,069,783	79,596,944	6.4%
Gay Head	234	846,859	15.8%	525,822	1,132,981	46.4%
Georgetown	7,054	66,586	17.4%	268,373	5,966,529	4.5%
Goshen	851	74,169	15.9%	178,164	942,073	18.9%
Gosnold	97	963,660	6.2%	85,937	265,378	32.4%
Granby	5,850	49,993	16.6%	119,428	3,909,128	3.1%
Great Barrington	7,656	70,252	14.9%	860,359	8,499,344	10.1%
Greenfield	18,580	40,930	14.0%	1,575,208	14,074,546	11.2%
Groton	8,789	68,899	18.7%	866,116	8,767,952	9.9%
Groveland	5,610	56,807	20.1%	309,504	4,269,238	7.2%
Hadley	4,367	83,792	13.8%	122,076	3,750,462	3.3%
Halifax	6,844	48,695	17.9%	387,371	5,135,166	7.5%
Hamilton	7,487	82,944	17.3%	1,956,507	9,193,583	21.3%
Hampden	4,742	59,844	18.9%	448,083	4,342,655	10.3%
Hancock	589	151,585	16.1%	20,208	662,157	3.1%
Hanover	12,891	78,631	18.5%	2,000,046	15,573,785	12.8%
Hanson	9,512	51,554	19.5%	744,394	7,285,814	10.2%
Harvard	11,590	45,233	8.3%	677,714	6,474,617	10.5%
Harwich	11,328	143,555	13.4%	1,063,320	15,981,018	6.7%
Hatfield	3,243	81,691	14.3%	29,294	2,968,423	1.0%
Hawley	327	68,559	18.0%	142,196	363,619	39.1%
Heath	741	62,562	21.7%	367,770	993,205	37.0%
Hingham	20,265	99,765	16.4%	1,537,571	29,389,952	5.2%
Hinsdale	1,884	59,587	18.5%	318,016	1,698,707	18.7%
Holbrook	11,092	45,987	13.4%	406,797	9,423,529	4.3%
Holden	14,960	56,834	17.8%	680,625	12,965,420	5.2%
Holland	2,105	70,242	21.3%	807,322	2,509,419	32.2%
Holliston	13,381	69,159	20.5%	1,180,946	15,128,509	7.8%
Holyoke	41,461	27,061	19.6%	5,774,708	28,102,156	20.5%
Hopedale	5,621	48,592	18.7%	432,198	5,856,439	7.4%
Hopkinton	10,805	95,922	19.8%	710,714	14,807,625	4.8%
Hubbardston	3,373	53,353	21.0%	46,299	2,146,817	2.2%
Hudson	17,695	55,567	15.4%	772,320	19,184,902	4.0%
Huntington	2,126	45,039	21.3%	124,001	1,508,661	8.2%
Ipswich	12,352	80,293	14.4%	1,048,533	13,345,689	7.9%
Lakeville	8,596	70,382	18.0%	893,031	7,122,938	12.5%
Lancaster	6,542	48,694	14.1%	95,829	4,327,649	2.2%
Lee	5,743	67,457	13.0%	228,683	5,668,047	4.0%
Leicester	10,327	38,344	17.9%	712,591	5,710,882	12.5%
Leverett	1,835	62,350	18.3%	446,327	1,962,874	22.7%
Lexington	29,484	125,125	16.9%	5,810,910	53,569,140	10.8%
Leyden	708	54,516	24.6%	118,371	744,715	15.9%
Lincoln	7,899	105,963	7.8%	2,557,741	10,263,773	24.9%
Littleton	7,695	81,714	15.9%	419,048	10,075,944	4.2%
Longmeadow	14,864	80,221	18.6%	3,156,035	21,257,569	14.8%
Lunenburg	9,285	53,495	17.5%	1,128,569	8,898,373	12.7%
Lynnfield	11,232	97,161	15.8%	1,025,643	14,422,020	7.1%
Manchester	5,357	159,478	13.7%	398,890	8,785,254	4.5%
Mansfield	18,806	73,966	19.3%	1,122,017	20,579,770	5.5%
Marion	4,953	121,607	15.7%	1,727,590	6,860,685	25.2%
Marshfield	22,911	72,104	18.5%	2,137,865	24,179,623	8.8%
Mashpee	8,935	145,357	20.5%	1,849,840	16,676,639	11.1%
Mattapoisett	6,190	100,281	15.3%	1,600,577	7,563,663	21.2%

Municipality	1996 Population	96 EQV per Capita	Pupils as % of Population	Compounded Impact of Overrides Since FY83	FY97 Levy Limit	Overrides As % of FY97 L.L.
Maynard	10,412	57,055	14.0%	693,286	11,753,751	5.9%
Medfield	11,467	90,623	20.3%	1,030,212	14,196,626	7.3%
Melrose	27,426	57,636	12.7%	3,311,439	26,703,304	12.4%
Merrimac	5,670	48,006	18.4%	54,995	3,890,697	1.4%
Middlefield	448	69,350	23.0%	199,996	569,662	35.1%
Millis	7,965	59,629	15.1%	175,275	7,072,774	2.5%
Millville	2,432	46,538	22.0%	243,681	1,867,761	13.0%
Milton	25,794	70,215	14.5%	4,427,603	30,182,415	14.7%
Monroe	113	156,528	19.5%	14,444	389,148	3.7%
Monson	7,949	47,362	18.9%	523,022	5,308,723	9.9%
Montague	8,383	47,137	15.5%	82,048	6,515,304	1.3%
Monterey	801	205,637	13.7%	222,590	1,238,829	18.0%
Montgomery	785	62,126	15.8%	43,351	728,763	5.9%
Mount Washington	132	253,358	9.1%	57,398	200,663	28.6%
Nantucket	7,267	483,577	14.9%	4,118,502	19,882,526	20.7%
Needham	27,828	112,540	14.6%	2,748,485	41,492,045	6.6%
New Ashford	181	103,800	16.0%	99,792	182,894	54.6%
New Braintree	935	49,049	20.6%	1,865	669,138	0.3%
New Marlborough	1,262	157,552	15.5%	308,680	1,590,448	19.4%
New Salem	825	62,005	17.8%	139,582	625,888	22.3%
Newbury	5,985	83,792	17.3%	895,599	5,901,972	15.2%
Norfolk	10,389	59,760	15.8%	853,849	9,044,393	9.4%
North Andover	24,283	78,713	15.9%	1,426,423	25,317,758	5.6%
Northampton	28,838	50,989	11.1%	791,962	20,645,667	3.8%
Northbridge	13,693	39,338	16.1%	24,200	7,382,056	0.3%
Northfield	2,913	56,317	16.5%	93,312	2,427,506	3.8%
Norwell	9,652	98,074	18.0%	1,060,872	14,871,159	7.1%
Oak Bluffs	3,128	224,456	16.9%	1,528,161	7,391,246	20.7%
Oakham	1,642	54,076	23.3%	27,477	1,047,672	2.6%
Orange	7,523	31,799	19.8%	655,062	4,257,425	15.4%
Orleans	6,185	191,898	11.9%	1,811,670	9,909,500	18.3%
Otis	1,071	256,082	20.1%	912,924	2,155,715	42.3%
Paxton	4,121	57,917	16.1%	489,804	3,789,538	12.9%
Pelham	1,428	57,075	16.2%	323,418	1,495,212	21.6%
Peru	753	49,243	21.8%	124,585	778,110	16.0%
Phillipston	1,613	46,922	21.0%	262,568	879,299	29.9%
Plainfield	609	75,722	16.4%	101,134	708,441	14.3%
Plymouth	48,329	68,059	18.2%	3,228,007	65,864,050	4.9%
Plympton	2,614	61,593	19.8%	109,587	2,739,521	4.0%
Princeton	3,331	70,408	18.9%	711,618	3,791,513	18.8%
Reading	22,956	72,996	16.9%	2,595,858	26,631,798	9.7%
Richmond	1,631	105,952	17.4%	468,936	2,250,464	20.8%
Rochester	4,393	65,911	19.7%	74,270	3,648,314	2.0%
Rockport	7,580	101,914	14.4%	1,354,626	8,809,910	15.4%
Rowe	377	397,124	11.1%	211,946	1,907,452	11.1%
Rowley	5,196	64,477	17.6%	328,734	4,393,726	7.5%
Rutland	5,186	47,951	20.4%	484,837	3,786,425	12.8%
Salisbury	7,093	74,137	17.2%	1,291,837	6,737,614	19.2%
Sandisfield	661	187,999	14.8%	166,913	1,257,022	13.3%
Sandwich	17,916	82,966	20.5%	4,095,824	22,298,395	18.4%
Savoy	687	49,073	17.0%	47,035	451,736	10.4%
Scituate	17,242	86,888	16.1%	1,547,286	21,511,625	7.2%
Sharon	16,684	76,775	18.1%	3,734,242	22,457,165	16.6%
Sheffield	2,967	97,007	18.5%	907,220	3,858,072	23.5%
Shelburne	2,027	56,299	17.2%	151,326	1,535,410	9.9%
Sherborn	4,107	148,003	20.2%	1,066,597	8,292,785	12.9%
Shirley	7,463	33,312	11.8%	72,365	3,191,712	2.3%
Shutesbury	1,712	63,931	22.5%	512,770	2,002,289	25.6%
Southampton	4,853	58,561	18.5%	198,896	3,596,683	5.5%
Southborough	7,388	113,283	17.3%	316,940	11,010,138	2.9%
Southbridge	17,447	30,054	16.7%	405,305	8,639,926	4.7%
Springfield	149,948	27,328	15.6%	12,538,763	95,165,798	13.2%
Sterling	6,858	62,712	17.9%	430,485	6,564,708	6.6%
Stockbridge	2,339	159,836	11.3%	472,684	3,771,724	12.5%
Stow	5,731	82,085	17.7%	1,880,910	8,002,919	23.5%
Sturbridge	7,911	60,505	18.6%	793,077	8,022,674	9.9%
Sudbury	15,130	123,363	21.7%	1,005,822	26,524,037	3.8%
Sunderland	3,519	45,681	11.0%	752,687	2,198,426	34.2%
Sutton	7,340	64,399	19.4%	731,022	5,913,057	12.4%
Swampscott	13,676	82,031	14.9%	2,130,357	19,041,852	11.2%
Templeton	6,991	36,924	16.4%	21,714	2,137,938	1.0%
Tisbury	3,341	192,193	16.9%	3,041,980	8,811,360	34.5%
Tolland	297	305,498	20.2%	90,165	407,776	22.1%
Topsfield	6,098	89,207	16.8%	936,282	7,593,188	12.3%
Townsend	8,997	45,755	22.9%	250,792	6,145,963	4.1%
Truro	1,729	347,023	14.8%	991,630	3,612,028	27.5%
Tyngsborough	9,800	53,475	17.9%	1,391,238	9,490,614	14.7%
Tyringham	368	209,500	12.2%	184,895	666,949	27.7%
Wakefield	24,756	69,175	13.9%	581,006	28,266,028	2.1%
Wales	1,566	49,048	21.2%	22,764	1,327,728	1.7%
Ware	9,817	39,538	15.6%	92,775	5,711,749	1.6%
Warwick	766	51,098	17.8%	138,804	704,402	19.7%
Washington	625	62,771	19.8%	76,626	482,196	15.9%
Wayland	12,041	120,438	19.0%	3,065,873	22,874,815	13.4%
Wellesley	26,809	146,001	12.5%	1,084,282	39,726,159	2.7%
Wellfleet	2,713	259,442	15.3%	1,596,873	5,516,033	28.9%
Wendell	956	45,451	18.9%	197,348	814,743	24.2%
Wenham	4,423	82,188	11.8%	741,765	4,889,087	15.2%
West Boylston	6,625	61,217	16.2%	226,282	6,427,989	3.5%
West Bridgewater	6,647	74,194	15.9%	67,306	7,571,801	0.9%
West Newbury	3,871	86,326	20.3%	300,992	4,655,735	6.5%
West Stockbridge	1,464	101,837	15.4%	786,530	2,255,596	34.9%
West Tisbury	2,169	251,569	24.4%	2,780,593	4,740,472	58.7%
Westford	18,642	81,600	19.5%	997,902	21,651,253	4.6%
Westhampton	1,448	63,907	19.4%	194,804	1,322,351	14.7%
Westminster	6,562	59,585	19.9%	337,906	4,921,068	6.9%
Weston	10,448	191,562	15.6%	4,365,357	23,934,420	18.2%
Westport	13,993	83,537	13.5%	169,676	10,424,671	1.6%
Westwood	12,935	118,018	16.0%	574,423	24,035,923	2.4%
Whately	1,451	76,740	15.4%	182,910	1,574,717	11.6%
Wilbraham	12,425	68,911	19.0%	1,106,956	13,395,833	8.3%
Williamsburg	2,593	55,021	14.5%	294,988	2,038,268	14.5%
Winchendon	8,931	36,014	21.5%	75,645	4,557,806	1.7%
Windsor	767	78,324	19.7%	273,128	712,984	38.3%
Worcester	166,350	32,519	14.1%	5,185,244	122,255,885	4.2%
Worthington	1,210	66,048	21.7%	375,400	1,084,266	34.6%
Wrentham	10,049	65,466	17.5%	789,751	10,058,140	7.9%
Yarmouth	22,335	96,793	12.3%	2,223,345	23,877,645	9.3%
Subtotal — communities with overrides				**226,053,115**	**2,390,784,480**	**9.5%**
State totals				**226,053,115**	**6,142,871,224**	**3.7%**

Notes: Pupil data from the Department of Education's January 1, 1996 Public School Attending Children.
Approved underrides have been netted against overrides.
Overrides applied to the levy limit may be slightly less than amount approved when the corresponding appropriation is less.

Table 1

Proposition 2½ Overrides
➡ *continued from page three*

Table 2

Overrides by Population Group

Population Groups	# in Sample	Total Impact of Overrides	Total FY97 Levy Limit	Overrides as Percent of Levy Limit	# of Comm. with Overrides	% of Comm. with Overrides
3,370 and under	88	30,335,379	157,952,020	19.2%	79	89.8%
3,371–9,300	88	53,552,993	559,083,316	9.6%	68	77.3%
9,301–19,600	88	61,394,548	1,209,515,417	5.1%	45	51.1%
19,601 and over	87	80,770,196	4,216,320,471	1.9%	26	29.9%

Table 3

Overrides by EQV Per Capita

EQV per capita	# in Sample	Total Impact of Overrides	Total FY97 Levy Limit	Overrides as Percent of Levy Limit	# of Comm. with Overrides	% of Comm. with Overrides
49,100 and under	88	38,268,440	1,386,663,481	2.8%	39	44.3%
49,101–64,400	88	31,257,552	1,858,033,898	1.7%	50	56.8%
64,401–83,800	88	61,343,438	1,478,122,097	4.2%	57	64.8%
83,801 and above	87	95,183,686	1,420,051,748	6.7%	72	82.8%

Table 4

Overrides by Pupils Attending Public Schools

Sch. attending children as % of pop.	# in Sample	Total Impact of Overrides	Total FY97 Levy Limit	Overrides as Percent of Levy Limit	# of Comm. with Overrides	% of Comm. with Overrides
14.47% and below	88	59,861,733	2,977,035,543	2.0%	47	53.4%
14.48%–16.42%	88	58,465,166	1,489,939,414	3.9%	48	54.5%
16.43%–18.62%	88	57,798,941	1,095,860,809	5.3%	55	62.5%
18.63% and above	87	49,927,275	580,035,458	8.6%	68	78.2%

A significant number of communities within each population group passed overrides during this 15-year period. Of the state's 88 smallest communities, 79 or 89.8 percent increased their levy limit through an override. The state's largest communities were less likely to approve an override with only 29.9 percent approving at least one override.

We also looked at the relationship between property wealth per capita and overrides. To measure property wealth, we used the 1996 equalized valuations (EQV) divided by the 1996 populations. Using EQV per capita, we classified communities into four equal groups. The results (see *Table 3*) show a moderate relationship between property wealth and overrides applied to the levy limit. For the two lowest EQV per capita groups, overrides accounted for 2.1 percent of the limit while in the two highest EQV groups the impact was 5.4 percent. The percentage of communities approving overrides increases as EQV increases, demonstrating a relatively strong relationship. Of the 88 communities with the lowest EQVs, 39 or 44.3 percent have passed at least one override, while 72 communities or 82.8 percent of those in the highest EQV group have passed an override.

Finally, we looked at the commonly held notion that communities with a high percentage of school children are more likely to pass overrides. Since school costs represent such a significant portion of local spending, they are often the driving force behind overrides. During the peak override years of FY1990 through FY1992, more than $89 million dollars or 78 percent of the $114.6 million approved statewide were either specifically for education or "general operating" expenses. Since school spending constitutes roughly half of the average municipal budget, general operating overrides not earmarked for a specific services are likely to have provided significant benefit to school departments.

To analyze how school population affects overrides, we ranked the communities based on 1996 public school attending children as a percent of total 1996 population (see *Table 4*). As expected, we found that the impact of overrides was a more significant portion of the levy limit in those communities with a high percentage of public school children. For those communities with lowest percentage of pupils, overrides accounted for only 2 percent of the FY1997 levy limit, while the impact of overrides totaled 8.6 percent of the levies of those communities with the highest percentage of pupils. The percentage of communities approving at least one override ranged from 53.4 percent for the lowest percentage of pupils to 78.2 percent for those with the greatest percentage of pupils.

It is clear from the data presented in this article that the impact of overrides since the inception of Proposition 2½ has been significant. A total of 218 or 62.1 percent of all communities have passed at least one override. When the 133 communities that have never passed an override are excluded, overrides contributed, on average, 9.5 percent to the FY1997 levy limit. ■

written by Frederick Kingsley
data by Debbie DePerri

DLS UPDATE

New Officials Finance Forum

The Division of Local Services is presenting a seminar for recently elected or appointed local finance officials on June 5, 1998. Selectmen, mayors, city/town council members, accountants, auditors, assessors, treasurers, collectors, clerks, finance committee members, finance directors and city/town managers are invited to attend. The seminar will give new officials a broad overview and basic understanding of municipal government and the roles of other local officials. New officials will gain a basic understanding of several concepts including Proposition 2½, budgeting, setting the tax rate, reserve and debt policies, and free cash. The structure of the seminar is intended to encourage team management within municipal government. After a presentation by a member of the DLS senior staff, participants will have the opportunity to work with other local officials and staff to calculate a levy limit and to complete a tax recapitulation sheet. Staff will be available to demonstrate utilizing the Internet as a source of information and data from state agencies.

Participants will return to their communities with knowledge and understanding which should help them to be effective and efficient members of their local financial management team. They will also know whom to contact at DLS for technical assistance if needed. Attendees will receive written materials which will be an excellent resource. DLS will award certificates to those who complete the seminar.

The seminar will be held at the Ramada Inn in Auburn on Friday, June 5, 1998 from 8:45 a.m. to 3:00 p.m. Preregistration is mandatory. The cost of the seminar is $21 (registration fee $10.00 and $11 for an optional lunch). For information contact Barbara LaVertue, coordinator of training, at (617) 626-2340. ■

FY1999 Levies & Electric Restructuring

The Division of Local Services has just distributed the FY1999 levy limit worksheets to all communities. Accompanying the levy information is the new *Electric Generating Plant Assessment* reporting form. This form must be completed and returned by the assessors of any community hosting an electric generating plant that has devalued as a result of the Electric Industry Restructuring Act,[1] or if the community has a binding agreement with an electric generating plant. Cities and towns with plants that devalued from their FY1997 assessed values are eligible for tax base relief through transition payments. These payments are meant to offset reductions in property taxes. Alternatively, "host" communities may enter into binding tax or payment-in-lieu-of-tax agreements. In either case, payments must be translated into a valuation amount and that value must be included in the appropriate property class in calculating the levy limit.

To use either transition or agreed-upon amounts in the FY1999 levy limit, the Bureau of Local Assessment (BLA) requires assessors *in affected cities and towns only* to submit the form and copies of any agreements, formal or informal, or copies of special acts of the legislature by *June 1, 1998.* For each facility in its jurisdiction, the municipality must complete a separate form, clearly identifying the plant by name, address and owner. The form also requests the total assessed value of the real estate for FY1996, FY1997 and FY1998; and the reported net book value and the total assessed value of the personal property for the same time period. For each of these prior years, the assessors are asked to include, if possible, the portion of the total value related to the generating plant and to the equipment used in transmission and in distribution. All reports and documentation should be sent to Andre Pomerantzeff who is available at (617) 626-2402 if you have any questions. ■

1. Chapter 164 of the Acts of 1997

New E-mail Address

Please note that the Division of Local Services (DLS) has a new e-mail address. Please send electronic correspondence to jchessey@compuserve.com. ■

Municipal Fiscal Calendar

June 1
Clerk: *Certification of Appropriations*
This is done after town meeting so the Accountant may set up accounts for each department in the municipality.

Assessors: *Determine Valuation of Other Municipal or District Land*
In certain communities where land is owned by another community or district, the value of the land is determined by the Assessors in the year following a revaluation year, for in-lieu-of-tax payments.

DOR/BLA: *Mail Proposed EQVs (even numbered years only)*

June 10
DOR/BLA: *Public Hearing on Proposed EQVs (even numbered years only)*

June 15
DOR: *Commissioner Determines and Certifies Pipeline Valuations*

Assessors: *Deadline for Appealing Commissioner's Telephone & Telegraph Valuations*

Assessors: *Make Preliminary Quarterly Tax Commitment*
The preliminary tax commitment must be based on the prior year's net tax on the property and may not exceed, with limited exceptions, 50% of that amount. This should be done early enough for the preliminary quarterly bills to be mailed by July 1.

June 20
Assessors: *Final Date to Make Omitted or Revised Assessments*
As required by M.G.L. Ch. 59, Sections 75 and 76, if a property is inadvertently excluded or mistakenly under-assessed on the warrant for property taxes, it is the Assessors' role to correct the mistake and assess the property correctly. Such an assessment may not be made later than June 20 of the taxable year or 90 days after the date the tax bills are mailed, whichever is later.

June 30
State Treasurer: *Notification of Quarterly Local Aid Payments Before June 30*

Assessors: *Overlay Surplus Closes to Surplus Revenue*
Each year, any balance in the overlay reserve accounts in excess of the remaining amount of the warrant to be collected or abated in that year, is certified by the Assessors. The transfer from overlay reserves to the overlay surplus is done on the Assessors' initiative or within 10 days of a written request by the chief executive officer. Once in overlay surplus, these funds may be appropriated for any lawful purpose. Any balance in the overlay surplus at the end of the fiscal year shall be closed to surplus revenue and, eventually, free cash.

Assessors: *Physical Inventory of all Parcels for Communities that Accepted M.G.L. Ch. 59, Sec. 2A(a)*

Assessors: *Submit Annual Report of Omitted or Revised Assessments*

Data Bank Highlight

Communities "At A Glance"

The "At a Glance" report is designed to provide an overall picture of a particular community. General information includes: form of government, school structure, population, unemployment rate, per capita income, equalized valuation per capita and other demographic information. Tax information includes: tax rate, tax levy, assessed value for each property type, and levy capacity. Financial information includes: revenue sources, including state aid, and expenditures for the most recent fiscal year. ■

To obtain Municipal Data Bank information contact: Stan Nyberg, Dora Brown or Debbie DePerri at (617) 626-2300 for printed reports and data files; Burt Lewis at (617) 626-2358 for the On-Line Access System; or use the World Wide Web address below.

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS World Wide Web site at **http://www.state.ma.us/dls** or by writing to PO Box 9655, Boston, MA 02114-9655.

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CITY & TOWN

Mitchell Adams, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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New Technology Applications Available

written by Melinda J. Ordway

The Division of Local Services is taking the initiative of presenting two of its publications in a new, user-friendly format — CD-ROM. The new 1998 Corporations Book and Municipal Bulletin 32, *Laws Relating to Municpal Finance and Taxation* are now available in both paper copy and CD-ROM. The major advantage of having publications available in this new format is the ability to search for topics or corporations efficiently and effectively.

In June, every local board of assessors received a paper copy of the just-published *1998 Massachusetts Domestic and Foreign Corporations Subject to an Excise*. DLS compiles and publishes a list of for-profit corporations that do business in Massachusetts, commonly called the "Corporations Book," to enable municipalities to determine which corporations in their communities are subject to the local personal property tax. A complete listing of corporations is published every five years and supplemental lists are released yearly. The 1998 Corporations Book is the latest full edition of all corporations registered to do business in Massachusetts as of January 1, 1998. The corporations are listed in alphabetical order for the entire state, not divided by community or by category, making it difficult for assessors to locate the listings relevant to their communities.

DLS has created the CD-ROM version of the entire 800-page Corporations Book as part of a continuing effort to improve service to communities. In 1997, DLS created a data base search program located on the DLS website which enabled local officials to search and categorize the data published in the 1997 Corporations Book Supplement. Similar to the website search program, the new CD-ROM program is designed to search by any keyword and to indicate if the corporations listed are designated manufacturing corporations. This information is significant to assessors because corporations that have been classified by the Commissioner of Revenue as manufacturing corporations are exempt from certain personal property taxes (see the Corporations Book for more information).

Corporations Book and Bulletin 32 in CD-ROM

The new CD-ROM version of the Corporations Book does not require assessors to load any software onto their computer's hard drive. Every local board of assessors will receive one copy of this 1998 Corporations Book CD-ROM.

Laws Relating to Municipal Finance and Taxation, Bulletin 32, is a compilation of the Massachusetts General Laws pertaining to local government. Updated through April 1998, Bulletin 32 will be distributed to every city and town in July. Bulletin 31, the previous issue, was printed in 1996. The Division of Local Services provides paper copies of this publication to a number of local officials in every community. This year, DLS will also distribute one Bulletin 32 on CD-ROM to each community.

In the past, local officials had difficulty finding information in the index of this publication. The new CD-ROM includes a search platform which will allow officials to search by a phrase or even by a single word.

For more information about the contents of the Corporations Book contact Melinda Ordway at (617) 626-2361, or for legal questions contact Gary Blau at (617) 626-2315. Additional copies of the 1998 Corporations Book or CD-ROM may be obtained at the State House Book Store (617) 727-2834 for $15.50 (Book) or $7.00 (CD-ROM) each plus postage. Requests for additional copies of Bulletin 32 should also be referred to the State House Book Store. The cost for the bulletin is $10.00 or the CD-ROM package is $15.00 each plus postage. ■

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LEGAL

in Our Opinion

Lease of Public Property

A recent Supreme Judicial Court decision concerns the assessment of publicly owned real property used or leased for non-public purposes.[1] The plaintiff owned a summer cottage in the Conomo Point section of the Town of Essex. The Town owns the land and leases lots to numerous individuals, including the plaintiff, under long-term leases. Most lessees have built houses on the land. The lease restricts occupancy to the period from April 15 to October 15. For 1995, the plaintiff paid $1,400 in rent to the Town. This payment did not include real estate taxes.

The Town, relying on Chapter 59 Section 2B, assessed the plaintiffs for $258,400, and the real estate tax was almost $3,000 for FY 1996. The plaintiffs filed a timely abatement application which the Essex assessors denied. The plaintiffs appealed to the Appellate Tax Board. Over one hundred appeals from other tenants were also filed at the ATB. The "lead case" was the appeal by the plaintiffs.

The issue before the ATB was the assessed value of the property. The Town maintained that the parcel should be assessed as if the taxpayers owned the property in fee simple absolute, and thus the $258,400 assessment was proper. The taxpayers argued, however, that the lease should be considered when valuing the property. In their opinion, the parcel's value should be based on sales of comparable properties in that section of Town which were subject to that kind of lease. The taxpayers believed the assessment should be no higher than $130,000.

When the ATB ruled for the Town, the plaintiffs petitioned the Supreme Judicial Court for direct appellate review. The plaintiffs agreed that their parcel was subject to tax but contended that the parcel was overassessed. They argued that the assessed value of the property should be reduced due to the lease that restricted the time during which they could occupy the house. In their view, any assessment which failed to consider the lease would violate the state constitutional full and fair cash value standard.

The Supreme Judicial Court examined the language in Chapter 59 Section 2B. In the Court's view, a plain reading of the statute required that leased land be "valued, classified, assessed and taxed...as if...the lessee...were the owner thereof in fee." The Court concluded that consideration of the lease in assessing the property would contradict the express language of the statute.

The Court, relying on earlier decisions, held that any tax on real estate should be based on the value of the *entire* parcel and not merely the interest of the person being taxed. In reaffirming the 1923 decision of *Donovan v. Haverhill,* the Court held that a below market lease did not reduce the parcel's value for property tax assessment purposes. The assessors should make the assessment based on the value of the entire estate unencumbered by the lease.

The plaintiffs also argued that the lease provision restricting occupancy to the months of April through October constituted a governmental restriction which should be considered for tax assessment purposes. The Supreme Judicial Court disagreed. In the Court's view, the presence of the restriction in the lease did not render it a governmental restriction like rent control.

The Court then upheld the ATB's decision that an assessment of land leased from a municipality should be based on the value of the entire estate and should not take into account any lease restrictions. ■

written by James Crowley

1. *Sisk v. Assessors of Essex,* 426 Mass. 651 (1998).

Performance Auditing

Since the early 1980s many local government units across the United States and Canada have recognized the value of performance auditing, known as operational auditing in the corporate sector. This type of auditing provides independent and objective assessments of the economy, efficiency and effectiveness of programs, functions, and activities found in both the government and corporate sector. In effect, auditors who perform this work are business consultants providing value added observations and recommendations to improve the way organizations meet their goals and objectives, and protect and use the resources and information systems under their control.

Performance auditing is a professional audit service that is being carried out in municipalities, counties, special districts and authorities. This type of work provides a true value added service to boards of selectmen, mayors, city managers, administrators, superintendents, executive directors, police and fire chiefs and the public at large. The type of performance audits routinely performed in local government include employee benefits, health and human services, parks and recreation, public safety, public works, tax and revenue and a host of miscellaneous topics. A national Benchmarking and Best Practice Survey published by the National Association of Local Government Auditors noted that, approximately 80 per-

continued on page seven ➡

Focus on Municipal Finance

Free Cash Comparisons

Does a community's free cash remain relatively stable as a percentage of the total budget or does it vary with the economy? This article looks at free cash totals statewide from FY1991 through FY1998 to identify trends. It identifies the communities where free cash represents a large percentage of the total budget, as well as communities where free cash represents less than one percent of that total. The article also discusses the correlation between a community's free cash position and current bond ratings as well as ratings during the recession years.

A community accumulates free cash when actual revenue collections exceed the budget estimates used in setting the tax rate, and/or actual expenditures and encumbrances (committed funds not yet expended) are less than appropriations. Uncollected property taxes, illegal deficits, overdrawn grant accounts and deficits in other funds, such as special revenue funds or agency funds, reduce free cash and may even result in a negative free cash position. Negative free cash does not have to be raised in the next year's tax rate.

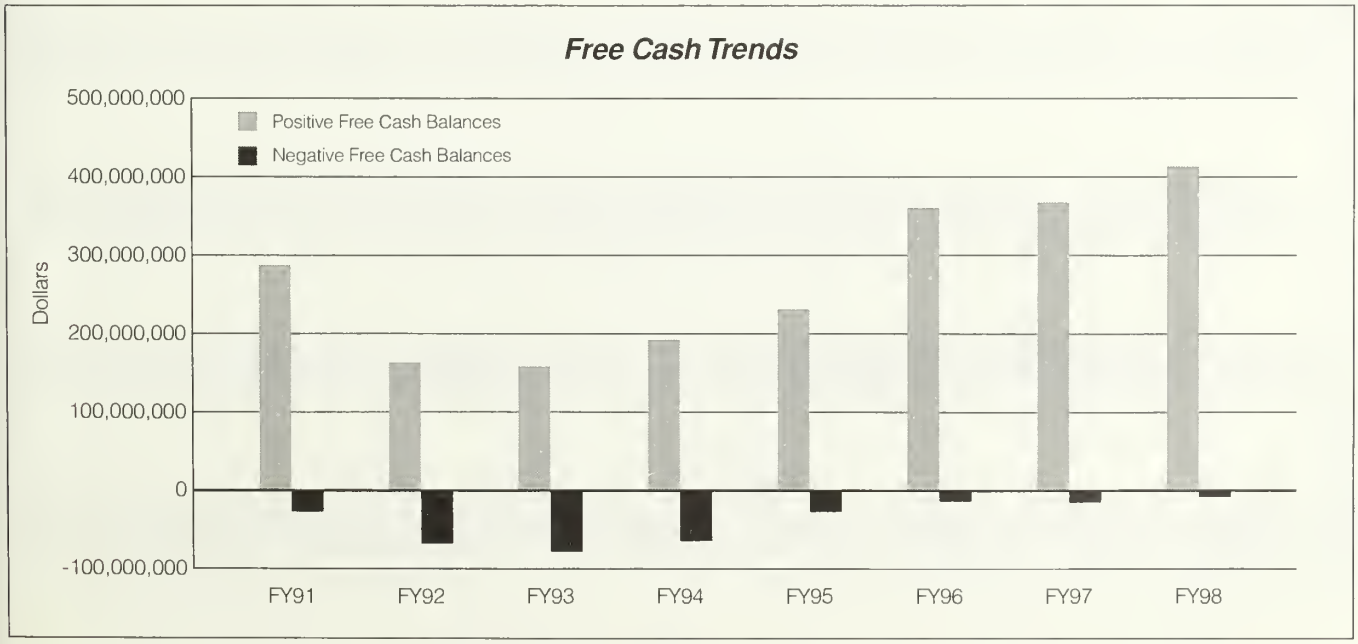
The Director of Accounts certifies free cash based on the community's balance sheet for the fiscal year ending on June 30. Free cash cannot be appropriated until the amount available has been certified. Once certified, however, it can be appropriated by town meeting or city council for any legal spending purpose up until the following June 30.

Figure 1 illustrates statewide positive and negative free cash balances from FY1991 through FY1998. Since free cash is certified as of the July 1 beginning of the fiscal year, free cash for FY1991 was certified as of July 1, 1990. Although the economic recession began in 1990 in Massachusetts, local cities and towns showed the most severe impact on free cash in FY1992 and FY1993. FY1992 certified positive free cash was only 58 percent of FY1991 free cash. Negative free cash increased 2.57 times in the same time period. For FY1993 positive free cash declined slightly (2.4 percent) and negative free cash increased by 14.5 percent. Positive free cash has increased in every fiscal year since FY1993. For FY1998, certified positive free cash is 43 percent higher than it was in FY1991 and negative free cash is only 5.6 percent of what it was in the worst year, FY1993.

Table 1 shows free cash certified for FY1998 as a percent of the FY1998 budget. At the time this article was written, 13 communities had not certified free cash for FY1998. For individual communities which did have positive free cash certified, the range is from a low of .26 percent free cash as a percent of the budget in the city of Revere to a high of 43.75 percent in the town of Sandisfield. All of the communities where free cash represented 30 percent or more of the total budget are small towns in western Massachusetts: Sandisfield (43.75 percent), Stockbridge (42.10 percent), Hawley

continued on page six ➡

Figure 1



FY1998 Free Cash as a Percentage of the Budget

Municipality	7/1/97 Free Cash	FY98 Budget	Free Cash as Percent of Budget
Abington	821,882	24,911,882	3.30%
Acton	1,887,727	41,921,536	4.50%
Acushnet	419,815	14,928,396	2.81%
Adams	918,555	9,453,469	9.72%
Agawam	1,863,376	45,301,607	4.11%
Alford	163,440	806,352	20.27%
Amesbury	1,489,960	32,066,195	4.65%
Amherst	2,339,508	45,172,187	5.18%
Andover	4,272,761	78,411,919	5.45%
Arlington	2,789,282	78,076,954	3.57%
Ashburnham	350,929	7,236,711	4.85%
Ashby	197,218	3,053,864	6.46%
Ashfield	159,236	2,566,391	6.20%
Ashland	-3,388	24,687,342	-0.01%
Athol	730,787	9,712,420	7.52%
Attleboro	811,276	72,022,718	1.13%
Auburn	922,958	24,146,350	3.82%
Avon	518,928	10,108,085	5.13%
Ayer	1,226,381	16,523,672	7.42%
Barnstable	6,501,106	91,049,775	7.14%
Barre	496,594	6,239,551	7.96%
Becket	76,301	2,927,033	2.61%
Bedford	2,653,755	38,295,883	6.93%
Belchertown	1,312,259	27,472,767	4.78%
Bellingham	2,267,426	31,467,828	7.21%
Belmont	1,541,843	60,639,982	2.54%
Berkley	49,741	8,103,198	0.61%
Berlin	272,411	4,869,937	5.59%
Bernardston	446,682	2,253,779	19.82%
Beverly		71,080,472	0.00%
Billerica	1,764,083	76,536,388	2.30%
Blackstone	240,314	8,377,868	2.87%
Blandford	112,836	1,455,213	7.75%
Bolton	1,457,242	7,825,108	18.62%
Boston		1,490,680,908	0.00%
Bourne	2,375,864	34,650,253	6.86%
Boxborough	502,677	9,974,401	5.04%
Boxford	1,361,927	14,990,244	9.09%
Boylston	764,612	6,237,607	12.26%
Braintree	1,254,940	72,399,922	1.73%
Brewster	2,159,942	25,381,869	8.51%
Bridgewater	505,155	27,176,781	1.86%
Brimfield	286,501	5,389,818	5.32%
Brockton	7,556,813	207,745,311	3.64%
Brookfield	484,988	4,950,223	9.80%
Brookline	4,412,943	136,401,924	3.24%
Buckland	208,260	2,517,009	8.27%
Burlington	1,706,827	58,431,376	2.92%
Cambridge	32,045,667	298,222,389	10.75%
Canton	915,557	44,636,183	2.05%
Carlisle	481,852	12,032,146	4.00%
Carver	1,815,259	22,345,683	8.12%
Charlemont	112,041	1,778,360	6.30%
Charlton	438,505	10,172,284	4.31%
Chatham	1,868,061	24,156,470	7.73%
Chelmsford	1,897,882	62,631,813	3.03%
Chelsea	2,729,571	82,433,417	3.31%
Cheshire	132,232	2,936,381	4.50%
Chester		1,517,841	0.00%
Chesterfield	106,622	1,690,308	6.31%
Chicopee	1,600,726	93,699,062	1.71%
Chilmark	248,390	3,627,142	6.85%
Clarksburg		2,409,120	0.00%
Clinton	-150,747	21,413,387	-0.70%
Cohasset	948,017	18,947,976	5.00%
Colrain	107,593	2,170,377	4.96%
Concord	3,437,456	38,868,344	8.84%
Conway	427,424	3,532,373	12.10%
Cummington	93,156	1,210,429	7.70%
Dalton	1,097,690	8,550,137	12.84%
Danvers	2,182,196	57,032,825	3.83%
Dartmouth	1,206,531	41,834,785	2.88%
Dedham	1,524,737	47,546,189	3.21%
Deerfield	1,033,765	8,411,418	12.29%
Dennis	1,806,018	28,464,196	6.34%
Dighton	391,566	7,910,578	4.95%
Douglas	507,831	12,287,330	4.13%
Dover	759,529	12,995,293	5.84%
Dracut	2,286,365	40,954,619	5.58%
Dudley	475,297	8,399,204	5.66%
Dunstable	354,206	4,245,091	8.34%
Duxbury	3,170,067	35,375,689	8.96%
East Bridgewater	1,322,305	25,455,482	5.19%
East Brookfield	264,834	1,948,134	13.59%
East Longmeadow	2,128,233	26,959,440	7.89%
Eastham	1,496,196	12,321,952	12.14%
Easthampton	674,320	24,545,945	2.75%
Easton	1,012,342	36,174,968	2.80%
Edgartown	287,085	15,288,477	1.88%
Egremont	124,039	2,526,715	4.91%
Erving	120,306	3,965,443	3.03%
Essex	191,448	6,165,022	3.11%
Everett	2,897,389	78,518,441	3.69%
Fairhaven	1,570,042	29,156,321	5.38%
Fall River	3,511,229	156,315,259	2.25%
Falmouth	3,547,901	63,299,805	5.60%
Fitchburg	566,026	73,883,275	0.77%
Florida	488,712	2,193,106	22.28%
Foxborough	1,111,186	30,751,697	3.61%
Framingham	547,525	137,942,146	0.40%
Franklin	3,198,271	54,944,869	5.82%
Freetown	284,458	11,859,538	2.40%
Gardner	572,937	34,303,733	1.67%
Gay Head	121,436	1,772,025	6.85%
Georgetown	811,942	14,016,553	5.79%
Gill	187,123	1,533,022	12.21%
Gloucester	1,036,208	59,047,111	1.75%
Goshen	-65,192	1,228,257	-5.31%
Gosnold	48,719	781,171	6.24%
Grafton	1,532,424	21,001,560	7.30%
Granby	1,037,249	9,685,710	10.71%
Granville	317,320	2,904,155	10.93%
Great Barrington	1,530,522	13,092,776	11.69%
Greenfield	1,621,374	33,852,199	4.79%
Groton	364,071	15,395,743	2.36%
Groveland	208,896	7,897,355	2.65%
Hadley	315,919	8,252,948	3.83%
Halifax	577,760	11,606,357	4.98%
Hamilton	398,177	13,510,736	2.95%
Hampden	74,724	6,037,171	1.24%
Hancock	225,015	1,053,738	21.35%
Hanover	1,139,183	28,504,709	4.00%
Hanson	450,010	12,708,425	3.54%
Hardwick	325,883	3,264,400	9.98%
Harvard	300,939	12,573,019	2.39%
Harwich	4,341,131	30,433,200	14.26%
Hatfield	434,293	6,246,059	6.95%
Haverhill	1,114,192	145,457,890	0.77%
Hawley	148,411	473,059	31.37%
Heath	98,329	1,658,905	5.93%
Hingham	3,769,269	43,040,585	8.76%
Hinsdale	215,284	2,893,067	7.44%
Holbrook	944,939	20,594,454	4.59%
Holden	290,059	21,263,058	1.36%
Holland	184,262	4,722,799	3.90%
Holliston	843,286	26,620,501	3.17%
Holyoke	4,140,457	105,715,036	3.92%
Hopedale	1,004,807	11,740,654	8.56%
Hopkinton	388,265	25,887,090	1.50%
Hubbardston	169,239	3,747,388	4.52%
Hudson	2,507,919	33,644,218	7.45%
Hull	651,225	23,659,828	2.75%
Huntington	148,249	2,405,861	6.16%
Ipswich	783,541	23,766,871	3.30%
Kingston	1,185,302	20,114,762	5.89%
Lakeville	282,029	12,289,645	2.29%
Lancaster	493,669	7,261,370	6.80%
Lanesborough	301,534	5,295,549	5.69%
Lawrence		153,830,855	0.00%
Lee	211,526	11,410,488	1.85%
Leicester	608,765	17,140,865	3.55%
Lenox	2,962,233	14,773,140	20.05%
Leominster	3,466,356	65,994,559	5.25%
Leverett	363,359	2,944,408	12.34%
Lexington	3,915,748	85,443,850	4.58%
Leyden	112,080	980,453	11.43%
Lincoln	2,232,637	19,124,227	11.67%
Littleton	940,777	16,644,138	5.65%
Longmeadow	1,954,256	34,313,933	5.70%
Lowell	3,856,016	219,790,515	1.75%
Ludlow	1,700,320	32,932,896	5.16%
Lunenburg	461,774	14,970,878	3.08%
Lynn	1,199,353	169,274,762	0.71%
Lynnfield	1,532,144	20,927,424	7.32%
Malden	-1,915,597	90,367,467	-2.12%
Manchester	1,311,878	15,792,987	8.31%
Mansfield	2,028,966	41,716,813	4.86%
Marblehead	2,576,782	41,481,818	6.21%
Marion	475,845	10,419,069	4.57%
Marlborough	2,266,656	68,408,605	3.31%
Marshfield	2,450,677	44,492,170	5.51%
Mashpee	1,505,016	29,231,078	5.15%
Mattapoisett	539,219	11,907,514	4.53%
Maynard	-9,226	18,855,426	-0.05%
Medfield	803,003	24,015,793	3.34%
Medford	1,416,443	98,175,005	1.44%
Medway	731,378	23,788,024	3.07%
Melrose	1,584,439	48,346,397	3.28%
Mendon	465,213	7,043,171	6.61%
Merrimac	500,171	8,528,098	5.86%

Municipality	7/1/97 Free Cash	FY98 Budget	Free Cash as Percent of Budget
Methuen	739,939	75,711,353	0.98%
Middleborough	933,994	40,084,495	2.33%
Middlefield	105,303	765,228	13.76%
Middleton	1,334,381	12,017,005	11.10%
Milford	710,439	48,386,858	1.47%
Millbury	1,363,821	17,237,684	7.91%
Millis	767,473	14,277,073	5.38%
Millville	469,752	3,006,165	15.63%
Milton	1,025,127	49,673,523	2.06%
Monroe	125,162	466,106	26.85%
Monson	471,740	15,105,134	3.12%
Montague	614,193	10,324,607	5.95%
Monterey	202,543	1,821,287	11.12%
Montgomery	221,985	1,391,450	15.95%
Mount Washington	117,754	392,267	30.02%
Nahant	237,195	7,283,062	3.26%
Nantucket	4,897,887	48,981,622	10.00%
Natick	2,728,405	68,109,313	4.01%
Needham	1,968,754	68,161,972	2.89%
New Ashford	92,369	368,029	25.10%
New Bedford		193,171,248	0.00%
New Braintree	40,773	1,110,479	3.67%
New Marlborough	123,636	2,456,280	5.03%
New Salem	123,636	1,222,104	10.12%
Newbury	367,384	9,634,854	3.81%
Newburyport		31,875,787	0.00%
Newton	4,062,320	206,550,467	1.97%
Norfolk	351,797	16,568,366	2.12%
North Adams	346,358	28,629,941	1.21%
North Andover		47,704,711	0.00%
North Attleborough	2,431,979	48,804,109	4.98%
North Brookfield	291,975	8,143,762	3.59%
North Reading	1,311,290	29,702,116	4.41%
Northampton	1,402,665	52,357,604	2.68%
Northborough	2,854,196	23,607,860	12.09%
Northbridge	1,145,070	22,797,194	5.02%
Northfield	534,058	3,712,232	14.39%
Norton	535,806	28,224,732	1.90%
Norwell	686,911	23,168,159	2.96%
Norwood	2,386,984	82,229,484	2.90%
Oak Bluffs	619,071	12,515,285	4.95%
Oakham	138,714	1,632,346	8.50%
Orange	648,954	14,099,006	4.60%
Orleans	1,588,641	16,173,581	9.82%
Otis	304,305	2,733,612	11.13%
Oxford	1,251,985	19,847,637	6.31%
Palmer	628,226	23,350,646	2.69%
Paxton	369,837	5,532,738	6.68%
Peabody	6,738,960	93,879,983	7.18%
Pelham	399,580	2,236,960	17.86%
Pembroke	1,595,438	26,895,735	5.93%
Pepperell	806,718	14,618,015	5.52%
Peru	96,643	975,634	9.91%
Petersham	343,788	1,856,311	18.52%
Phillipston	87,231	1,523,091	5.73%
Pittsfield	2,408,456	81,484,164	2.96%
Plainfield	72,094	1,355,902	5.32%
Plainville	810,773	11,140,538	7.28%
Plymouth	3,387,865	103,053,901	3.29%
Plympton	142,238	4,162,551	3.42%
Princeton	629,070	5,398,923	11.65%
Provincetown	280,362	15,237,154	1.84%
Quincy	4,413,455	164,355,584	2.69%
Randolph	1,914,392	50,198,762	3.81%
Raynham	285,948	14,272,608	2.00%
Reading	2,240,445	49,841,295	4.50%
Rehoboth	1,070,566	10,846,233	9.87%
Revere	209,700	80,049,962	0.26%
Richmond	237,970	3,501,509	6.80%
Rochester	893,997	8,881,432	10.07%
Rockland	-547,821	32,764,397	-1.67%
Rockport	1,301,045	19,086,490	6.82%
Rowe	927,064	2,632,751	35.21%
Rowley	357,011	7,699,265	4.64%
Royalston		1,971,358	0.00%
Russell	213,589	2,552,435	8.37%
Rutland	342,906	6,939,182	4.94%
Salem	1,423,512	80,118,531	1.78%
Salisbury	169,653	11,656,138	1.46%
Sandisfield	642,253	1,468,043	43.75%
Sandwich	629,725	34,596,523	1.82%
Saugus	316,798	48,268,946	0.66%
Savoy	90,336	1,089,972	8.29%
Scituate	1,361,556	36,149,486	3.77%
Seekonk	1,434,797	24,419,100	5.88%
Sharon	1,216,005	35,025,137	3.47%
Sheffield	709,575	5,591,184	12.69%
Shelburne	100,342	2,349,264	4.27%
Sherborn	527,335	11,444,940	4.61%
Shirley	222,373	8,778,276	2.53%
Shrewsbury	4,555,647	48,908,865	9.31%
Shutesbury	454,428	3,428,047	13.26%
Somerset	3,098,821	35,493,190	8.73%
Somerville	6,969,416	130,280,709	5.35%
South Hadley	724,947	25,564,297	2.84%
Southampton	241,340	7,595,352	3.18%
Southborough	1,306,667	17,598,733	7.42%
Southbridge	3,212,404	30,259,647	10.62%
Southwick	925,333	9,936,599	9.31%
Spencer	338,821	10,239,769	3.31%
Springfield		326,234,747	0.00%
Sterling	1,030,560	10,587,640	9.73%
Stockbridge	2,021,558	4,802,302	42.10%
Stoneham	1,113,799	42,623,866	2.61%
Stoughton	1,390,807	51,643,711	2.69%
Stow	745,397	10,457,522	7.13%
Sturbridge	715,011	14,545,891	4.92%
Sudbury	763,419	41,080,850	1.86%
Sunderland	411,092	4,505,272	9.12%
Sutton	468,134	12,388,325	3.78%
Swampscott	547,286	29,542,885	1.85%
Swansea	-282,990	21,319,195	-1.33%
Taunton	4,471,006	104,183,221	4.29%
Templeton	238,073	7,411,384	3.21%
Tewksbury	874,908	52,558,904	1.66%
Tisbury	1,166,214	11,892,163	9.81%
Tolland	98,942	548,913	18.03%
Topsfield	538,482	11,224,991	4.80%
Townsend	360,747	10,158,682	3.55%
Truro	321,614	6,634,600	4.85%
Tyngsborough	1,225,191	19,530,420	6.27%
Tyringham	85,507	1,002,611	8.53%
Upton	234,467	7,329,263	3.20%
Uxbridge	640,741	19,424,207	3.30%
Wakefield	1,921,645	49,237,496	3.90%
Wales		2,567,673	0.00%
Walpole	928,669	42,383,577	2.19%
Waltham	6,974,078	120,300,285	5.80%
Ware	750,540	16,252,756	4.62%
Wareham	599,019	37,536,960	1.60%
Warren	58,714	4,960,301	1.18%
Warwick	136,740	1,091,345	12.53%
Washington	-1,520	900,231	-0.17%
Watertown	3,514,953	64,062,648	5.49%
Wayland	2,098,996	36,187,363	5.80%
Webster	814,028	24,348,615	3.34%
Wellesley	2,292,962	58,795,529	3.90%
Wellfleet	376,926	9,926,605	3.80%
Wendell		1,369,926	0.00%
Wenham	532,444	6,931,610	7.68%
West Boylston	774,988	12,271,320	6.32%
West Bridgewater	686,424	14,250,366	4.82%
West Brookfield	511,260	4,026,316	12.70%
West Newbury	868,536	7,254,974	11.97%
West Springfield	3,330,261	54,753,733	6.08%
West Stockbridge	299,880	2,822,463	10.62%
West Tisbury	209,244	7,433,812	2.81%
Westborough	2,024,876	42,342,547	4.78%
Westfield	2,349,071	74,551,156	3.15%
Westford	1,718,462	37,815,191	4.54%
Westhampton	90,435	2,643,033	3.42%
Westminster	678,086	9,272,553	7.31%
Weston	1,771,707	36,859,512	4.81%
Westport	804,898	19,044,122	4.23%
Westwood	898,542	35,105,527	2.56%
Weymouth	1,451,875	92,827,135	1.56%
Whately	181,317	2,904,605	6.24%
Whitman	775,782	18,327,995	4.23%
Wilbraham	823,148	19,435,998	4.24%
Williamsburg	268,470	3,577,299	7.50%
Williamstown	272,784	13,391,540	2.04%
Wilmington	2,393,364	40,400,206	5.92%
Winchendon	1,732,865	20,319,486	8.53%
Winchester	612,212	46,717,697	1.31%
Windsor	287,036	1,057,254	27.15%
Winthrop	911,243	28,861,811	3.16%
Woburn		74,769,477	0.00%
Worcester	-1,850,329	355,960,320	-0.52%
Worthington	42,423	2,010,990	2.11%
Wrentham	1,172,966	20,090,511	5.84%
Yarmouth	2,862,978	49,546,064	5.78%
Totals	**411,009,436**	**12,621,229,844**	**3.26%**

Table 1

Free Cash Comparisons
➡ *continued from page three*

Table 2

Bond Ratings

Bond Ratings	Number of Communities	FY96–FY98 3-Year Average Certified Free Cash	FY98 Budget	Free Cash as % of FY98 Budget
Double A or Triple A	49	127,527,187	2,825,214,443	4.51%
Single A or A1	149	176,104,088	6,062,445,816	2.90%*
Baa or lower	36	29,388,893	2,797,359,160	1.05%
Unrated	117	38,837,667	936,210,425	4.15%
Statewide totals	351	371,857,835	12,621,229,844	2.95%

*Without Boston: 3.85%.

Bond Ratings	Number of Communities	FY92–FY94† 3-Year Average Certified Free Cash	FY94 Budget	Free Cash as % of FY94 Budget
Double A or Triple A	38	54,676,669	1,940,457,828	2.82%
Single A or A1	132	59,563,917	4,578,777,385	1.30%*
Baa or lower	43	-35,929,697	2,613,963,178	-1.37%
Unrated	138	19,150,606	1,260,737,454	1.52%
Statewide totals	351	97,461,497	10,393,935,845	0.94%

†Recession years.
*Without Boston: 2.13%.
Note: Not all communities have certified free cash.

(31.37 percent), Rowe (35.21 percent) and Mount Washington (30.02 percent). With the exception of the town of Berkley (0.61 percent), the communities with positive free cash less than one percent of the budget are cities or large towns: Fitchburg (0.77 percent), Framingham (0.40 percent), Haverhill (0.77 percent), Lynn (0.71 percent), Methuen (0.98 percent), Revere (0.26 percent), and Saugus (0.66 percent). The statewide average July 1, 1997 free cash as a percentage of the FY1998 budget was 3.24 percent. Although there were nine communities with negative free cash; five of them have negative free cash of less than one percent. In contrast, in FY1993 there were 78 communities with negative free cash.

Since higher free cash ratios are one indicator of fiscal health, *Table 2* examines the relationship between a three-year average of certified free cash as a percentage of the FY1998 budget and bond ratings. Various financial services assign ratings to communities to assist investors in evaluating the risk involved in purchasing a particular community's bonds. Investment grade ratings range from the most favorable Aaa down to Ba. For purposes of this analysis we have used Moody's ratings. The 49 communities with triple A or double A bond ratings averaged 4.51 percent free cash. No triple or double A community has had a free cash deficit in the last three years. The 149 communities with bond ratings of single A (or A1, A2 or A3), not including Boston, averaged 3.85 percent free cash as a percent of the FY1998 budget. With Boston included the percentage of free cash drops to 2.90 percent. The 36 communities with Baa or lower bond ratings averaged free cash of only 1.05 percent of the FY1998 budget. There are 117 communities which do not have bond ratings from Moody's. Most are smaller towns. They have an average free cash as a percentage of the FY1998 budget of 4.15 percent, almost as high as the communities with the highest bond ratings. The statewide average free cash for FY1996 through FY1998 as a percentage of the FY1998 budget is 2.95 percent.

How did the recession of the early 1990s impact both free cash as a percentage of the total budget and its relationship to the bond ratings? As might be anticipated, for the three year period of FY1992 through FY1994, there were fewer communities with the higher bond ratings of triple A through A, and free cash as a percentage of the FY1994 budget was lower. There were more communities with bond ratings of Baa or below. The statewide average free cash for FY 1992 through FY1994 was .94 percent of the FY1994 budget.

Consistent generation of positive free cash usually signals sound financial management. Prudent communities try to prepare conservative budgets and aggressively pursue the collection of receivables to improve their free cash position. Free cash provides a financial cushion to guard against economic downturn or to meet unforeseen expenses. It is an important reserve that can be used for supplemental appropriation after the tax rate has been set. ■

Countdown to Y2K

DLS UPDATE

Changing of the Guard

After 21 years as executive director of the Massachusetts Collectors and Treasurers Association, Aldo Luca is retiring as of June 30. Aldo was the first executive director of the MCTA, accepting the position in 1977. He also served as treasurer of the Town of Groton from 1976 through 1979, and as collector/treasurer from 1979 through 1990. As executive director of the MCTA, Aldo was instrumental in developing the certification program for the Annual School. Aldo's ability to find excellent speakers and teachers for the many educational programs sponsored by the MCTA such as the Cape conference and the regular meetings has been an important contribution. His efforts have led to the "New Treasurers and Collectors Day" as well as the annual "Staff School." As editor of the MCTA quarterly newsletter, *The Collector Treasurer*, Aldo kept local officials abreast of changing laws and procedures, as well as building the collector's/treasurer's community by including personal news. Aldo worked for many years on the MCTA's legislative program. Another of his accomplishments has been to work with a number of others to convince the state legislature to create the the Massachusetts Municipal Depository Trust (MMDT) with municpal treasurers serving as members of the MMDT Advisory Council. Nils Nordberg, former Commissioner of the Department of Employment and Training, will take over as executive director.

The Massachusetts Municipal Auditors' & Accountants' Association also experienced a major change in leadership with the retirement of Harold Regan last October. Harold, who was the first executive director of the Association, served for ten years from July of 1987 through October 1997. Harold began his career in 1952 as an accountant at the Department of Revenue and retired as Assistant Director of the Bureau of Accounts in 1986. While at the Bureau, Harold began working with the Massachusetts Municipal Auditors' & Accountants' Association to develop an education program leading to certification. Harold wrote and graded all certification examinations from the inception of the program in 1985 until his retirement as executive director in 1997. Through the years, Harold worked to incorporate changes in law and accounting procedures into the education program.

Long time secretary of the Massachusetts Municipal Auditors' & Accountants' Association, Nancy Brown, also retired in 1997. Nancy had been secretary since 1981 assisting numerous presidents and bringing skill, knowledge and dedication to her position. ■

Opportunities for Training

Assessment Administration: Law, Procedures and Valuation (Course 101) will be held at the University of Massachusetts, Amherst from 8:30 a.m. to 4:00 p.m. from August 10 through August 14.

A Classification Training Workshop will be given on Thursday, August 13, at 1:00 p.m. in Room 163C at the University of Massachusetts, Amherst.

Contact Barbara LaVertue, training coordinator, at (617) 626-2340 for more information. ■

Reminder

Beginning with this issue, *City & Town* issues are being mailed to city or town halls, not to home addresses. Boards and departments will now receive five copies. We ask that local officials share the publication. There are no restrictions on copying issues of *City & Town*. If the new policy creates problems for your community, please contact Elaine Lombardi at (617) 626-2337.

Another alternative is to download *City & Town* from the DLS home page on the Internet. The Internet address is on page 8. As a service to local officials, we will also e-mail *City & Town* directly to individuals. This file is in PDF format and requires an Adobe Acrobat Reader available through the DLS home page. If you are interested in receiving *City & Town* by e-mail, contact John DiOrio at (617) 626-2392. ■

Performance Auditing

➡ *continued from page two*

cent of its membership is involved in performance auditing, which includes audits that focus on the business process (economy, efficiency and effectiveness) not just internal control. These audit groups were shown to save the community, on average, at least $3 for every $1 in audit cost.

Most administrators of local governments are traditionally concerned with the presentation of financial statements, free cash, bond ratings, tax rates and assessments. Performance auditing changes the fundamental question from "Where are we spending our tax money?" to "What are we getting for it?" This is an attempt to answer, "Can we do it better, cheaper, faster?" It changes the focus from figures on a financial statement to facts related to the actual operation of government and the financial implication of those activities. It is time for Massachusetts communities to follow the lead of other states and institute performance auditing. ■

written by Peter Babachicos, CPA, CGFM
Director, Internal Audit, MWRA

This article represents the opinions and conclusions of the author and not necessarily those of the MWRA.

Municipal Fiscal Calendar

August 1
Taxpayer: *Deadline for Paying 1st Quarterly Tax Payment. M.G.L. Ch. 59, Sec. 57C; Deadline for Payment Without Interest*

Taxpayer: *Annual Boat Excise Return Due*

Accountant: *Notification of Total Receipts of Preceding Year*

August 15
Assessors: *Deadline to Vote to Seek Approval for Authorization to Issue Preliminary Tax Bills*

Treasurer: *4th Quarter Reconciliation of Cash for the Previous Fiscal Year (due 45 days after end of quarter)*

August 31
Taxpayer: *Last Filing Day for Classified Forest Land, M.G.L. Ch. 61*

DOR/BOA: *Issue Instructions For Determining Local and District Tax Rates*

Assessors: *Begin Work on Tax Rate Recapitulation Sheet (to set tax rate for semi-annual bills)*

Employment Opportunities

Appraiser: The Bureau of Local Assessment is looking for an individual to provide technical assistance to municipalities in property tax administration, mass appraisal process, data quality, tax base growth, and local government finance. The duties include appraising property and processing data for state owned land, biennial Equalized Valuations, centrally assessed utilities; reviewing appraisals of utility and non-utility generating plants; assignment of communities for triennial recertification of property values, etc. Requirements include three years experience in the full-time appraisal or assessment of real property, or an associate's or higher degree with two years of the required experience. Applicants should have strong analytical and writing skills as well as proficiency in the use of computer spreadsheet applications. Travel is required.

Data Bank Programmer/Analyst — The Municipal Data Bank is looking for a programmer/analyst to perform data base documentation and systems analysis for the maintenance and operation of the Data Bank. Prepares written documentation of data base and maintains accurate documentation library. Tests systems for accuracy of updates and enhancements to reports on MAPPER, our website and Excel files. Develops and designs programs to generate reports and graphics using MAPPER and other data base software. Prepares analyses using data for internal purposes and assists users in understanding the data and defining their data needs. Applicants must have at least two years of full-time, or equivalent part-time, professional experience in electronic data processing work, the major duties of which included computer programming and/or systems analysis. A Bachelor's degree in the field of data processing, computer programming or information science may be substituted for the required experience.

Send cover letters and resumes to Diane Shepard, Division of Local Services, PO Box 9655, Boston, MA 02114-9655 or fax to 617-626-2330. ■

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS World Wide Web site at **http://www.state.ma.us/dls** or by writing to PO Box 9655, Boston, MA 02114-9655.

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Mitchell Adams, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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Abolition of County Government?

written by Jean McCarthy

As of July 1, 1998, the governments of four of Massachusetts' fourteen counties no longer exist and the abolition of additional counties may take place by the end of 2000. Provisions in the FY1997 state budget abolished Franklin County as of July 1, 1997.[1] The legislature abolished Middlesex County as of July 11, 1997. Worcester and Hampden Counties were abolished as of July 1, 1998.[2]

A transition task force identified issues needing to be resolved and made decisions regarding the transfer of the assets, liabilities, and functions of Middlesex County to the Commonwealth. The task force also planned the abolition of Hampden and Worcester Counties. Representatives of the Executive Office of Administration and Finance, the Group Insurance Commission, the State Retirement Board, the State Treasurer, the Secretary of State, the State Comptroller and the Department of Revenue and other agencies comprised the task force.

The employees of the county jails and houses of correction, the registry of deeds and the courthouse maintenance departments are now on the state payroll. Unless specifically excluded, all real and personal property belonging to those counties has also been transferred to the state. All officers and employees of the abolished counties transferred to state employment with no loss of seniority, retirement or other rights, and without reduction in compensation, salary grade or insurance benefits.

Registrars of deeds will remain elected officials retaining local administrative control under the direction of the secretary of state. Sheriffs will also remain elected officials. Sheriffs will retain administrative and operational control over the jails and houses of correction. The county treasurers will remain in office until 2002 cooperating with the secretary of administration and finance to effect an orderly transfer of assets, liabilities, personnel and functions from the counties to the Commonwealth.

Employees who had retired at the time of the transfer remain in the county retirement systems. County employees who became state employees transferred their retirement funds to the state system. Towns and districts belonging to an abolished county's retirement system will remain members of the county retirement system. At this time no decision has been made about whether the unfunded pension liability will be funded by the state or by assessments to the communities.

The legislature appropriated approximately $24.6 million for payment of outstanding debt owed by Middlesex County as well as the cost of liquidating the County's assets. Abolishing Middlesex County has cost more than originally anticipated and a bill has been filed to appropriate an additional $5.5 million to complete the task. These costs and the county treasurer's salary will ultimately be borne by the cities and towns comprising Middlesex County. Those communities will continue to pay an amount equivalent to the FY1997 county tax each year until the obligation has been repaid. Although the amortization schedule may be up to 25 years, the schedule filed with the legislature in September 1997 provided for assessments through 2006. Deductions from quarterly payments of local aid will repay these charges.

The governor has proposed a bill recommending a supplemental appropriation for FY1998 of $8.8 million for Hampden County and $16.3 million for Worcester County. Communities will repay the costs of abolishing these counties in the same manner as those in Middlesex County.

The Division of Local Services administers the reserve account appropriations for Middlesex County, reviewing all claims for accuracy and supporting documentation prior to payment. Due to the number of vendors to whom Middlesex County owed money, this has

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LEGAL

in Our Opinion

Excise Taxes and Bankruptcy

Most of the over 15,000 bankruptcies in Massachusetts last year were personal bankruptcies. Federal law governs bankruptcy, therefore municipal officials must comply with the United States Bankruptcy Code when seeking to collect local taxes, excises and fees from taxpayers who have filed for bankruptcy protection. This article concerns a debtor who argued that her excise taxes were discharged through bankruptcy.[1]

The taxpayer filed a voluntary petition for bankruptcy under Chapter 7 (liquidation) on September 26, 1996. In her Schedule of Creditors she listed the City of Malden for personal property taxes. In January 1997 the bankruptcy court entered an order of discharge freeing the taxpayer from the obligation to pay debts outstanding at the time of filing.

The taxpayer attempted to renew the registration of her motor vehicle in April 1997. The Registry of Motor Vehicles informed her that the Malden tax collector had placed her registration in non-renewal status because of unpaid excise bills issued in 1995. The collector insisted that the taxpayer pay her excise taxes that had become due less than three years before she filed for bankruptcy. In response, she filed a motion in bankruptcy court requesting the Court to order that the excise taxes were discharged by order of the bankruptcy court.

As a general matter, a discharge in bankruptcy operates as an injunction prohibiting a creditor from collecting debts. Title 11 Section 507(a)(7) of the United States Code, however, lists a number of exceptions. One exception pertains to unsecured claims of governmental units. A property tax, assessed before the commencement of the case and last payable without penalty *one* year before the date of the filing, is not discharged. An excise tax on a transaction occurring during the three years immediately preceding the date of the filing of the petition is also not discharged.

The issue for the Bankruptcy Court to resolve was the nature of the taxes in question. The City claimed that since the taxes were *excise* taxes, they were valid. Excise taxes due less than three years prior to the filing of the bankruptcy petition are not excused by an order of discharge. The taxpayer, however, claimed these obligations were *personal property* taxes discharged because they were due more than one year before the petition in bankruptcy was filed. The taxpayer claimed the motor vehicle excise taxes imposed under M.G.L. Chapter 60A were taxes on the ownership of personal property. The Bankruptcy Court rejected this argument. In the Court's view, an excise tax is generally defined as a tax "imposed on the performance of an act, the engaging in an occupation, or the enjoyment of a privilege." Although the legislative description of the tax as an excise was not conclusive, the Court noted that the motor vehicle excise was for the privilege of the registration of a motor vehicle. In addition, M.G.L. Chapter 59 provides that a registered motor vehicle, whether exempt or subject to motor vehicle excise, is exempt from local personal property taxes. The Court reasoned that the legislature therefore intended to impose an excise tax and not a property tax on motor vehicles.

Accordingly, the Bankruptcy Court held that motor vehicle excises were *excise* taxes. As such, they were not dischargeable because they were due within the three-year time period listed in the exception. The Commonwealth had filed a brief supporting the view that the tax on motor vehicles is an excise. Due to the adverse effect on municipalities that might result from the discharge of automobile excise taxes by debtors, the Commonwealth requested the opportunity to comment. We note that this decision is consistent with previous Department advisory opinions to local officials. ■

compiled by James Crowley

1. *Mary Appugliese*, 1997 Bankr. Lexis 1152 (D. Mass. 1997).

Abolition of County Government

➡ *continued from page one*

been a time-consuming process. DLS disbursed most of the funds to pay off vendor claims, back wage claims, and defaulted loans. Since there was time to prepare for the abolition of Hampden and Worcester Counties, DLS anticipates fewer problems.

For the remaining counties, Chapter 48 of the Acts of 1997 provides for the establishment of a county charter commission composed of a representative for each community voting to join the county charter commission. Chapter 48 specifically excludes the Franklin regional council of governments, Barnstable county and any county with a charter under Chapter 34A of the MGL. Those joining the charter commission will vote on a proposed county charter at the next state election. A majority of affirmative votes adopts the charter which thereafter will govern that county. Legislative action will determine whether the county will control registries of deeds, correctional facilities and courthouses located within their boundaries. If no charter has been adopted as of December 31, 2000, a county may be subject to abolition. ■

1. Chapter 151 of the Acts of 1996
2. Chapter 48 of the Acts of 1997

FOCUS on Municipal Finance

Effects of Multiple Tax Rates

Cities and towns have the option to shift part of the property tax burden from residential and open space to commercial, industrial and personal properties. Annually, almost a third of the municipalities in the state choose this option (in FY1998, 102 out of 350 reporting so far). In FY1998, this saved residential property owners in these cities and towns $618,887,144, a shift of 9.59 percent of the total levy, and an average savings of $464 for single family homeowners.

The guidelines for implementing multiple rates are specified in the Massachusetts General Laws.[1] There are three conditions that have to be met before a community can set multiple tax rates:

- The Commissioner of Revenue must certify that all real and personal property values are being assessed at full and fair cash value every three years.
- All real property must be classified into one of four categories: residential, open space, commercial and industrial.
- The board of selectmen or the city council with the mayor's approval must hold an annual public meeting and vote to tax classes at different rates.

If these conditions have been met, municipalities can set multiple tax rates. The guidelines are based on the percentages of the tax levy raised from residential and open space (R&O) and from commercial, industrial and personal property classes (CIP).

- The CIP share of the tax levy cannot increase by more than 50 percent of what it would have been if the community had a single tax rate. The increase in the CIP share is represented by the CIP factor which can range from 1.00 (zero percent increase) to 1.50 (50 percent increase). For example, if CIP would raise 20 percent of the total tax levy with a single rate, it cannot raise more than 1.50 times 20 percent or 30 percent of the total levy after the shift to multiple rates.
- The Department of Revenue determines for every community the proportionate amount that the R&O share of the levy would decrease if the CIP share were increased by 50 percent. This is called the Minimum Residential Factor (MRF). In the example, CIP originally raised 20 percent of the levy and R&O 80 percent. If the CIP share is raised to its maximum of 30 percent (1.5 times 20 percent), then the R&O share will be lowered by a factor of .875 to 70 percent. In this case the MRF is .875.
- The R&O classes must raise at least 65 percent of what would be raised without the shift. In other words, the MRF can never be lower than .65. In communities where the CIP share of the levy is greater than 41.18 percent, an increase of 50 percent in the CIP levy would result in the R&O going below 65 percent of its original share. Consequently, the maximum CIP shift is less than 50 percent.
- The CIP share of the levy is allowed to increase by 75 percent under Chapter 200 of the Acts of 1988 as long as: 1) the new residential-only share computed using the MRF is higher than the previous year's actual residential-only share, 2) R&O share is not reduced by more than 50 percent, and 3) the R&O share is not less than the R&O share in any year since the community's values were first certified at full and fair cash value.

Statewide, even though CIP percentage share of total assessed value has decreased from almost 26 percent to less than 21 percent over the last 12 years, the CIP percentage of the total tax levy has stayed fairly constant at around 33 percent. In order to keep

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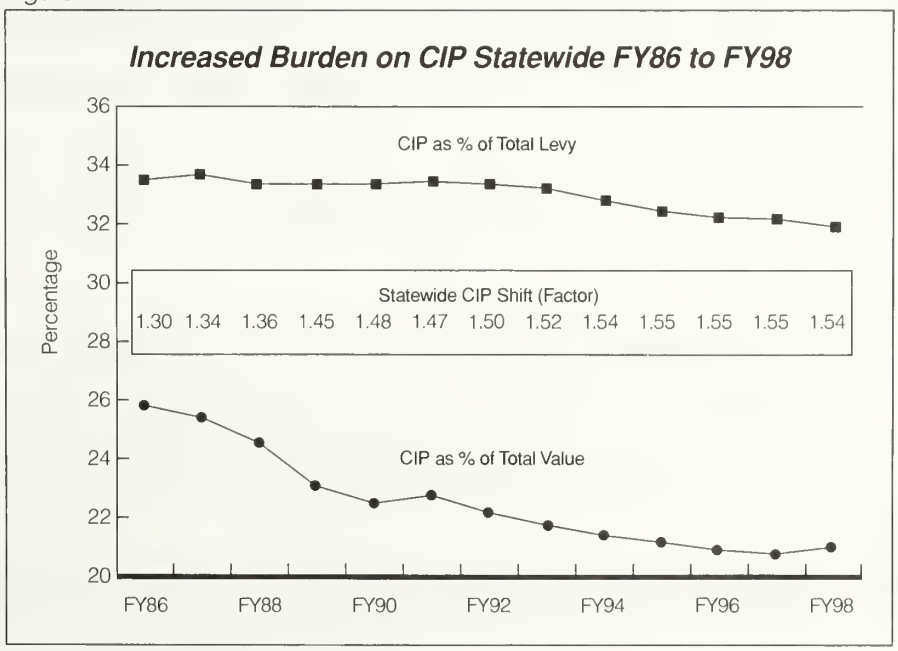
Figure 1



FY98 Multiple Tax Rates, CIP Shifts and Amount Shifted

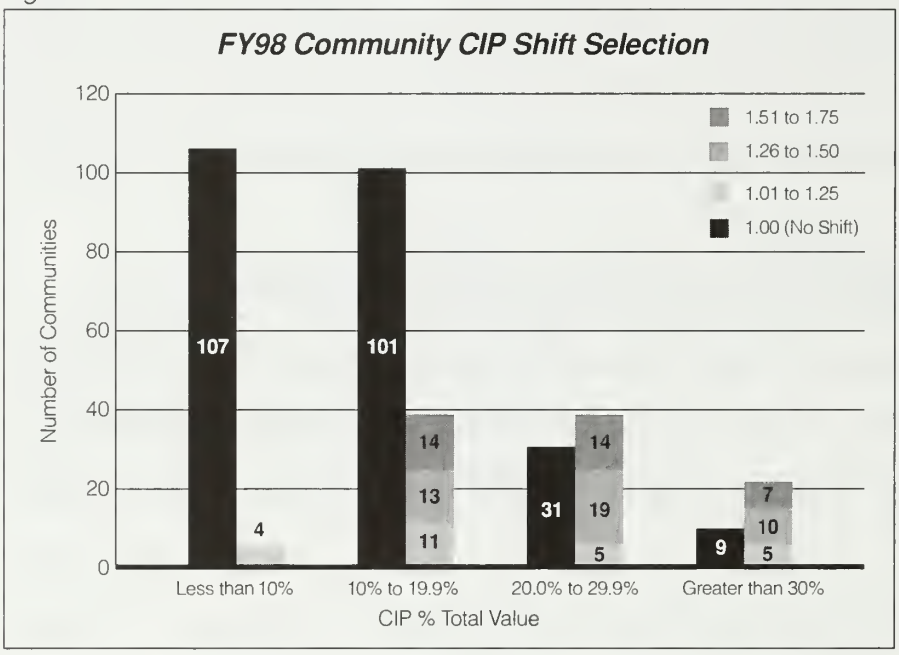
	CIP % of Valuation	Max CIP Shift	Actual CIP Shift	$ Shift to CIP (000s)	Actual Res Tax Rate	Actual CIP Tax Rate	Single Tax Rate
Abington	14.53	1.50	1.00		16.98	16.98	16.98
Acton	14.98	1.50	1.00		18.31	18.31	18.31
Acushnet	11.15	1.50	1.20	139	14.16	17.43	14.52
Adams	19.83	1.50	1.14	150	17.23	20.35	17.85
Agawam	22.18	1.50	1.25	1,311	15.77	21.22	16.98
Alford	3.62	1.50	1.00		7.44	7.44	7.44
Amesbury	19.05	1.50	1.00		18.71	18.71	18.71
Amherst	14.20	1.50	1.00		19.20	19.20	19.20
Andover	22.51	1.50	1.32	3,897	15.82	22.90	17.41
Arlington	8.59	1.50	1.00		16.73	16.73	16.73
Ashburnham	4.90	1.50	1.00		17.39	17.39	17.39
Ashby	5.65	1.50	1.00		18.55	18.55	18.55
Ashfield	8.69	1.50	1.00		16.55	16.55	16.55
Ashland	13.09	1.50	1.16	347	17.91	21.29	18.35
Athol	14.21	1.50	1.00		14.33	14.33	14.33
Attleboro	19.36	1.75	1.50	2,754	15.30	26.08	17.39
Auburn	28.99	1.50	1.46	1,948	13.34	23.98	16.42
Avon	52.04	1.32	1.27	949	12.23	21.87	17.23
Ayer	55.22	1.28	1.27	1,219	10.16	19.34	15.23
Barnstable	16.26	1.50	1.00		11.76	11.76	11.76
Barre	13.05	1.50	1.00		18.48	18.48	18.48
Becket	6.82	1.50	1.00		10.50	10.50	10.50
Bedford	028.01	1.75	1.70	4,829	13.55	31.60	18.59
Belchertown	7.63	1.50	1.00		17.56	17.56	17.56
Bellingham	33.78	1.50	1.00		15.07	15.07	15.07
Belmont	6.63	1.50	1.00		14.11	14.11	14.11
Berkley	6.14	1.50	1.00		11.85	11.85	11.85
Berlin	31.41	1.50	1.00		15.91	15.91	15.91
Bernardston	15.99	1.50	1.00		16.42	16.42	16.42
Beverly	13.68	1.50	1.50	2,798	16.39	26.69	17.80
Billerica	24.60	1.75	1.73	8,068	15.45	34.92	20.24
Blackstone	8.26	1.50	1.00		14.77	14.77	14.77
Blandford	9.60	1.50	1.00		13.16	13.16	13.16
Bolton	13.77	1.50	1.00		16.99	16.99	16.99
Boston	42.10	1.66	1.66	217,471	13.47	38.45	23.15
Bourne	14.72	1.50	1.00		12.83	12.83	12.83
Boxborough	19.55	1.50	1.00		18.50	18.50	18.50
Boxford	2.64	1.50	1.00		14.30	14.30	14.30
Boylston	10.28	1.50	1.10	46	16.70	18.58	16.89
Braintree	29.95	1.52	1.51	6,175	12.87	24.93	16.46
Brewster	9.58	1.50	1.00		12.84	12.84	12.84
Bridgewater	11.71	1.50	1.00		14.84	14.84	14.84
Brimfield	11.77	1.50	1.00		14.74	14.74	14.74
Brockton	28.83	1.50	1.27	5,003	20.82	29.88	23.43
Brookfield	9.63	1.50	1.00		17.16	17.16	17.16
Brookline	10.62	1.75	1.73	6,855	17.55	28.79	16.59
Buckland	21.26	1.50	1.00		17.86	17.86	17.86
Burlington	39.85	1.65	1.60	9,734	11.50	30.70	19.15
Cambridge	36.56	1.75	1.75	42,312	13.43	35.98	20.56
Canton	24.97	1.58	1.50	3,520	13.14	23.65	15.76
Carlisle	2.38	1.50	1.00		15.29	15.29	15.29
Carver	24.20	1.50	1.34	842	18.82	28.29	21.11
Charlemont	15.24	1.50	1.00		21.29	21.29	21.29
Charlton	15.14	1.50	1.00		12.07	12.07	12.07
Chatham	10.36	1.50	1.00		9.63	9.63	9.63
Chelmsford	18.95	1.50	1.02	157	18.98	19.45	19.07
Chelsea	36.76	1.75	1.75	5,096	14.58	39.97	22.84
Cheshire	9.89	1.50	1.00		11.62	11.62	11.62
Chester	6.97	1.50	1.00		15.93	15.93	15.93
Chesterfield	7.62	1.50	1.00		19.88	19.88	19.88
Chicopee	23.12	1.56	1.50	4,229	15.78	27.87	18.58
Chilmark	2.99	1.50	1.00		3.29	3.29	3.29
Clarksburg	4.51	1.50	1.00		13.89	13.89	13.89
Clinton	16.27	1.75	1.75	1,060	15.61	31.98	18.27
Cohasset	7.49	1.50	1.00		15.05	15.05	15.05
Colrain	12.69	1.50	1.00		18.51	18.51	18.51
Concord	10.17	1.50	1.00		13.26	13.26	13.26
Conway	9.33	1.50	1.00		18.60	18.60	18.60
Cummington	13.15	1.50	1.00		13.71	13.71	13.71
Dalton	21.31	1.50	1.00		17.42	17.42	17.42
Danvers	32.55	1.50	1.10	1,072	15.28	17.66	16.05
Dartmouth	18.64	1.50	1.00		12.11	12.11	12.11
Dedham	22.08	1.75	1.75	5,162	13.97	31.05	17.74
Deerfield	26.69	1.50	1.00		14.35	14.35	14.35
Dennis	11.78	1.50	1.00		9.37	9.37	9.37
Dighton	11.99	1.75	1.75	460	13.81	26.92	15.38
Douglas	8.49	1.50	1.00		17.15	17.15	17.15
Dover	2.28	1.50	1.00		12.02	12.02	12.02
Dracut	9.72	1.50	1.00		17.50	17.50	17.50
Dudley	10.04	1.50	1.00		11.13	11.13	11.13
Dunstable	6.05	1.50	1.00		15.96	15.96	15.96
Duxbury	4.41	1.50	1.00		16.60	16.60	16.60
E. Bridgewater	14.03	1.50	1.00		16.97	16.97	16.97
E. Brookfield	11.52	1.50	1.00		9.13	9.13	9.13
E. Longmeadow	23.32	1.50	1.00		18.92	18.92	18.92
Eastham	7.83	1.50	1.00		11.64	11.64	11.64
Easthampton	14.72	1.50	1.00		15.41	15.41	15.41
Easton	12.77	1.50	1.00		17.02	17.02	17.02
Edgartown	9.47	1.50	1.00		8.66	8.66	8.66
Egremont	8.43	1.50	1.00		10.32	10.32	10.32
Erving	62.78	1.30	1.24	390	11.24	23.17	18.73
Essex	12.92	1.50	1.00		13.53	13.53	13.53
Everett	52.68	1.38	1.38	8,711	12.45	29.54	21.45
Fairhaven	20.53	1.50	1.15	403	13.74	16.52	14.31
Fall River	23.97	1.75	1.75	6,658	10.10	23.15	13.23
Falmouth	9.08	1.50	1.00		11.75	11.75	11.75
Fitchburg	25.81	1.50	1.31	1,751	16.98	24.93	19.03
Florida	55.48	1.40	1.32	203	13.21	29.09	22.02
Foxborough	22.41	1.50	1.00		15.43	15.43	15.43
Framingham	27.99	1.50	1.47	11,127	17.65	31.75	21.60
Franklin	18.62	1.50	1.00		13.80	13.80	13.80
Freetown	15.63	1.75	1.52	608	14.07	23.67	15.57
Gardner	20.74	1.50	1.00		18.30	18.30	18.30
Aquinnah	2.26	1.50	1.00		6.52	6.52	6.52
Georgetown	11.43	1.50	1.00		14.99	14.99	14.99
Gill	18.19	1.50	1.00		14.24	14.24	14.24
Gloucester	13.90	1.50	1.37	1,759	16.78	24.45	17.85
Goshen	6.03	1.50	1.00		16.40	16.40	16.40
Gosnold	3.79	1.50	1.00		2.50	2.50	2.50
Grafton	12.28	1.50	1.00		15.33	15.33	15.33
Granby	7.76	1.50	1.00		15.39	15.39	15.39
Granville	15.53	1.50	1.00		15.39	15.39	15.39
Grt. Barrington	23.79	1.50	1.00		16.16	16.16	16.16
Greenfield	27.63	1.50	1.00		20.50	20.50	20.50
Groton	6.56	1.50	1.00		18.22	18.22	18.22
Groveland	9.43	1.50	1.00		14.99	14.99	14.99
Hadley	33.68	1.50	1.00		13.31	13.31	13.31
Halifax	12.44	1.50	1.00		16.50	16.50	16.50
Hamilton	5.87	1.50	1.00		16.01	16.01	16.01
Hampden	7.86	1.50	1.00		17.52	17.52	17.52
Hancock	17.81	1.50	1.00		6.30	6.30	6.30
Hanover	21.87	1.50	1.00		17.33	17.33	17.33
Hanson	11.23	1.50	1.00		16.04	16.04	16.04
Hardwick	12.13	1.50	1.00		15.98	15.98	15.98
Harvard	6.00	1.50	1.00		14.52	14.52	14.52
Harwich	11.07	1.50	1.00		11.70	11.70	11.70
Hatfield	31.58	1.50	1.00		12.13	12.13	12.13
Haverhill	17.54	1.50	1.45	3,295	18.41	29.52	20.36
Hawley	8.82	1.50	1.00		15.00	15.00	15.00
Heath	4.35	1.50	1.00		19.73	19.73	19.73
Hingham	15.81	1.50	1.00		15.70	15.70	15.70
Hinsdale	15.60	1.50	1.00		15.09	15.09	15.09
Holbrook	19.90	1.50	1.35	773	20.15	29.79	22.07
Holden	8.84	1.50	1.00		16.56	16.56	16.56
Holland	5.17	1.50	1.00		16.54	16.54	16.54
Holliston	11.57	1.50	1.00		17.08	17.08	17.08
Holyoke	38.81	1.50	1.44	4,832	17.49	34.66	24.15
Hopedale	11.97	1.50	1.40	260	18.26	27.03	19.31
Hopkinton	15.45	1.50	1.13	342	14.37	16.62	14.72
Hubbardston	7.19	1.50	1.00		15.56	15.56	15.56
Hudson	22.85	1.52	1.49	2,028	14.72	25.75	17.24
Hull	6.56	1.50	1.00		19.59	19.59	19.59
Huntington	7.06	1.50	1.00		15.69	15.69	15.69
Ipswich	9.86	1.50	1.00		13.67	13.67	13.67
Kingston	23.20	1.50	1.00		15.70	15.70	15.70
Lakeville	16.42	1.50	1.00		12.57	12.57	12.57
Lancaster	15.23	1.50	1.00		13.96	13.96	13.96
Lanesborough	33.79	1.50	1.00		16.44	16.44	16.44
Lawrence	28.62	1.62	1.51	4,048	19.62	37.24	24.66
Lee	35.83	1.50	1.00		14.90	14.90	14.90
Leicester	11.69	1.50	1.00		16.15	16.15	16.15
Lenox	26.65	1.50	1.00		14.10	14.10	14.10
Leominster	25.70	1.50	1.00		17.36	17.36	17.36
Leverett	3.76	1.50	1.00		20.43	20.43	20.43
Lexington	13.03	1.75	1.70	5,193	13.43	25.51	15.00
Leyden	6.19	1.50	1.00		18.14	18.14	18.14
Lincoln	4.27	1.50	1.00		12.07	12.07	12.07
Littleton	23.91	1.50	1.39	1,017	14.38	22.90	16.42
Longmeadow	4.80	1.50	1.00		19.70	19.70	19.70
Lowell	21.32	1.75	1.70	9,186	19.18	40.24	23.67
Ludlow	16.60	1.50	1.00		16.40	16.40	16.40
Lunenburg	12.07	1.50	1.00		18.16	18.16	18.16
Lynn	17.89	1.75	1.75	7,237	19.84	41.50	23.71
Lynnfield	8.42	1.50	1.00		14.26	14.26	14.26
Malden	16.84	1.75	1.67	4,339	16.38	31.57	18.94
Manchester	7.17	1.50	1.00		11.47	11.47	11.47
Mansfield	26.76	1.50	1.05	307	17.02	18.20	17.34
Marblehead	5.91	1.50	1.00		12.00	12.00	12.00
Marion	9.66	1.50	1.00		12.39	12.39	12.39
Marlborough	33.15	1.50	1.44	6,553	16.93	29.50	20.46
Marshfield	7.84	1.50	1.00		15.30	15.30	15.30
Mashpee	10.87	1.50	1.00		14.35	14.35	14.35
Mattapoisett	8.98	1.50	1.00		14.79	14.79	14.79
Maynard	17.64	1.50	1.47	1,003	17.90	29.13	19.88
Medfield	6.67	1.50	1.00		15.10	15.10	15.10
Medford	15.29	1.75	1.75	5,788	15.09	30.54	17.45
Medway	16.06	1.50	1.00		18.79	18.79	18.79
Melrose	7.30	1.50	1.50	1,009	16.51	25.78	17.19
Mendon	11.04	1.50	1.00		15.72	15.72	15.72
Merrimac	7.28	1.50	1.00		15.22	15.22	15.22

	CIP % of Valuation	Max CIP Shift	Actual CIP Shift	$ Shift to CIP (000s)	Actual Res Tax Rate	Actual CIP Tax Rate	Single Tax Rate
Methuen	17.22	1.50	1.25	1,420	16.87	22.24	17.79
Middleborough	21.54	1.50	1.12	429	16.67	19.43	17.26
Middlefield	7.56	1.50	1.00		17.07	17.07	17.07
Middleton	24.04	1.50	1.00		15.18	15.18	15.18
Milford	24.95	1.50	1.50	3,285	16.29	29.30	19.54
Millbury	17.59	1.50	1.00		14.60	14.60	14.60
Millis	12.78	1.50	1.00		18.30	18.30	18.30
Millville	5.70	1.50	1.00		16.36	16.36	16.36
Milton	4.81	1.50	1.33	501	17.87	24.17	18.17
Monroe	72.91	1.13	1.00		12.30	12.30	12.30
Monson	13.51	1.50	1.00		15.63	15.63	15.63
Montague	31.01	1.50	1.20	418	15.92	21.00	17.50
Monterey	5.45	1.50	1.00		8.72	8.72	8.72
Montgomery	5.56	1.50	1.00		13.79	13.79	13.79
Mt. Washington	5.26	1.50	1.00		5.82	5.82	5.82
Nahant	3.48	1.50	1.00		13.57	13.57	13.57
Nantucket	10.22	1.75	1.75	1,828	5.25	9.71	5.55
Natick	29.21	1.50	1.00		14.53	14.53	14.53
Needham	16.31	1.50	1.47	3,459	13.25	21.45	14.59
New Ashford	41.11	1.50	1.30	20	6.49	10.68	8.21
New Bedford	24.49	1.75	1.64	8,287	15.26	31.59	19.26
New Braintree	10.46	1.50	1.00		16.60	16.60	16.60
New Marlborough	8.96	1.50	1.00		11.38	11.38	11.38
New Salem	4.28	1.50	1.00		13.50	13.50	13.50
Newbury	5.69	1.50	1.00		13.25	13.25	13.25
Newburyport	19.92	1.50	1.00		17.59	17.59	17.59
Newton	12.55	1.75	1.72	12,549	13.75	26.38	15.33
Norfolk	5.69	1.50	1.00		15.97	15.97	15.97
N. Adams	27.01	1.50	1.50	1,025	15.40	28.35	18.90
N. Andover	18.18	1.50	1.16	857	13.60	16.35	14.10
N Attleborough	26.07	1.50	1.00		15.41	15.41	15.41
N 8rookfield	13.85	1.50	1.00		12.98	12.98	12.98
N. Reading	16.02	1.50	1.00		16.99	16.99	16.99
Northampton	25.76	1.50	1.00		14.58	14.58	14.58
Northborough	21.45	1.50	1.00		15.40	15.40	15.40
Northbridge	14.98	1.50	1.00		14.82	14.82	14.82
Northfield	20.86	1.50	1.00		16.20	16.20	16.20
Norton	13.82	1.50	1.00		15.98	15.98	15.98
Norwell	17.11	1.50	1.00		15.86	15.86	15.86
Norwood	31.26	1.50	1.35	3,308	13.25	21.27	15.76
Oak Bluffs	10.19	1.50	1.00		12.62	12.62	12.62
Oakham	8.05	1.50	1.00		12.38	12.38	12.38
Orange	18.99	1.50	1.00		20.10	20.10	20.10
Orleans	11.95	1.50	1.00		9.55	9.55	9.55
Otis	8.05	1.50	1.00		8.54	8.54	8.54
Oxford	17.14	1.50	1.00		16.00	16.00	16.00
Palmer	22.24	1.50	1.00		17.24	17.24	17.24
Paxton	05.05	1.50	1.00		17.28	17.24	17.24
Peabody	29.36	1.53	1.50	6,238	9.73	18.43	12.28
Pelham	4.10	1.50	1.00		19.42	19.42	19.42
Pembroke	17.42	1.50	1.00		15.35	15.35	15.35
Pepperell	11.76	1.50	1.00		15.62	15.62	15.62
Peru	10.67	1.50	1.00		18.52	18.52	18.52
Petersham	7.56	1.50	1.00		11.82	11.82	11.82
Phillipston	6.30	1.50	1.00		14.56	14.56	14.56
Pittsfield	28.50	1.50	1.26	2,664	17.36	24.49	19.39
Plainfield	17.59	1.50	1.00		14.16	14.16	14.16
Plainville	22.24	1.50	1.00		15.18	15.18	15.18
Plymouth	36.59	1.50	1.00		20.32	20.32	20.32
Plympton	14.79	1.50	1.00		18.06	18.06	18.06
Princeton	3.72	1.50	1.00		16.25	16.25	16.25
Provincetown	27.42	1.50	1.00		11.58	11.58	11.58
Quincy	21.96	1.75	1.69	12,932	15.30	32.09	18.99
Randolph	17.78	1.50	1.30	1,341	16.48	22.91	17.62
Raynham	26.32	1.50	1.09	247	12.90	14.62	13.35
Reading	8.65	1.50	1.00		16.13	16.13	16.13
Rehoboth	10.51	1.50	1.00		13.22	13.22	13.22
Revere	17.13	1.75	1.75	4,723	19.39	40.16	22.95
Richmond	8.03	1.50	1.00		14.88	14.88	14.88
Rochester	18.60	1.50	1.00		14.20	14.20	14.20
Rockland	23.37	1.50	1.00		17.40	17.40	17.40
Rockport	8.95	1.50	1.00		15.46	15.46	15.46
Rowe	83.34	1.10	1.10	136	5.35	11.76	10.69
Rowley	13.70	1.50	1.00		15.28	15.28	15.28
Royalston	6.23	1.50	1.00		11.50	11.50	11.50
Russell	14.84	1.75	1.54	101	15.34	26.08	16.93
Rutland	5.72	1.50	1.00		15.45	15.45	15.45
Salem	29.12	1.75	1.66	8,282	15.22	34.67	20.88
Salisbury	25.13	1.50	1.00		13.92	13.92	13.92
Sandisfield	9.58	1.50	1.00		9.58	9.58	9.58
Sandwich	18.53	1.50	1.00		15.98	15.98	15.98
Saugus	26.71	1.59	1.59	4,576	12.05	24.47	15.37
Savoy	5.56	1.50	1.00		14.16	14.16	14.16
Scituate	5.67	1.50	1.00		15.19	15.19	15.19
Seekonk	28.61	1.50	1.34	1,580	14.20	22.02	16.44
Sharon	7.23	1.50	1.00		19.02	19.02	19.02
Sheffield	17.38	1.50	1.00		15.44	15.44	15.44
Shelburne	23.90	1.50	1.00		14.66	14.66	14.66
Sherborn	3.90	1.50	1.00		15.64	15.64	15.64
Shirley	13.70	1.50	1.00		14.39	14.39	14.39
Shrewsbury	16.34	1.50	1.00		13.32	13.32	13.32
Shutesbury	3.09	1.50	1.00		21.36	21.36	21.36
Somerset	RC40.32	1.72	1.50	5,059	13.19	26.82	17.86
Somerville	20.26	1.75	1.75	7,239	14.15	27.44	15.68
S. Hadley	11.02	1.50	1.00		15.78	15.78	15.78
Southampton	8.31	1.50	1.00		14.51	14.51	14.51
Southborough	20.59	1.50	1.00		13.10	13.10	13.10
Southbridge	24.52	1.50	1.00		15.78	15.78	15.78
Southwick	12.70	1.50	1.00		14.88	14.88	14.88
Spencer	16.02	1.50	1.00		11.42	11.42	11.42
Springfield	27.09	1.75	1.47	12,298	20.60	36.84	25.00
Sterling	14.84	1.50	1.00		15.45	15.45	15.45
Stockbridge	13.49	1.50	1.00		9.70	9.70	9.70
Stoneham	14.33	1.50	1.12	404	16.71	19.10	17.05
Stoughton	22.68	1.50	1.33	2,097	17.38	25.59	19.24
Stow	10.62	1.50	1.00		18.73	18.73	18.73
Sturbridge	23.19	1.50	1.00		18.06	18.06	18.06
Sudbury	6.75	1.50	1.40	840	15.97	23.03	16.45
Sunderland	14.37	1.50	1.00		17.08	17.08	17.08
Sutton	11.29	1.50	1.00		15.66	15.66	15.66
Swampscott	8.15	1.59	1.50	838	17.99	28.24	18.82
Swansea	19.92	1.50	1.50	1,313	12.62	21.61	14.41
Taunton	25.44	1.52	1.50	4,357	12.58	22.75	15.17
Templeton	11.34	1.50	1.00		11.88	11.88	11.88
Tewksbury	24.14	1.50	1.41	3,008	13.98	22.78	16.10
Tisbury	17.22	1.50	1.10	156	15.11	16.01	14.56
Tolland	8.88	1.50	1.00		4.68	4.68	4.68
Topsfield	8.52	1.50	1.00		13.66	13.66	13.66
Townsend	12.38	1.50	1.00		17.83	17.83	17.83
Truro	9.32	1.50	1.00		7.78	7.78	7.78
Tyngsborough	15.81	1.50	1.00		19.46	19.46	19.46
Tyringham	10.21	1.50	1.00		9.10	9.10	9.10
Upton	7.03	1.50	1.00		12.36	12.36	12.36
Uxbridge	13.90	1.50	1.00		15.84	15.84	15.84
Wakefield	18.38	1.50	1.50	2,690	16.20	27.39	18.26
Wales	9.07	1.50	1.00		16.41	16.41	16.41
Walpole	14.84	1.50	1.22	786	15.29	19.40	15.90
Waltham	37.93	1.62	1.62	17,564	13.64	30.23	18.69
Ware	16.02	1.50	1.00		16.96	16.96	16.96
Wareham	19.41	1.50	1.00		14.47	14.47	14.47
Warren	24.94	1.50	1.00		16.43	16.43	16.43
Warwick	5.80	1.50	1.00		18.12	18.12	18.12
Washington							
Watertown	20.97	1.75	1.60	4,743	15.13	26.75	16.72
Wayland	5.06	1.50	1.00		17.95	17.95	17.95
Webster	17.92	1.75	1.60	969	11.85	21.82	13.64
Wellesley	12.58	1.50	1.00		10.03	10.03	10.03
Wellfleet	10.06	1.50	1.00		9.14	9.14	9.14
Wendell	10.35	1.50	1.00		20.50	20.50	20.50
Wenham	4.72	1.50	1.00		13.34	13.34	13.34
W. Boylston	21.38	1.50	1.00		17.77	17.77	17.77
W. Bridgewater	35.28	1.50	1.22	641	14.88	20.63	16.91
W. Brookfield	13.03	1.50	1.00		13.80	13.80	13.80
W. Newbury	3.77	1.50	1.00		14.09	14.09	14.09
W. Springfield	31.14	1.50	1.45	4,087	17.79	32.19	22.27
W. Stockbridge	12.80	1.50	1.00		14.96	14.96	14.96
W. Tisbury	4.86	1.50	1.00		10.10	10.10	10.10
Westborough	37.05	1.50	1.00		16.96	16.96	16.96
Westfield	19.71	1.50	1.48	2,829	16.06	26.95	18.21
Westford	14.54	1.50	1.00		15.88	15.88	15.88
Westhampton	5.17	1.50	1.00		16.90	16.90	16.90
Westminster	21.52	1.50	1.00		15.57	15.57	15.57
Weston	4.69	1.50	1.00		13.37	13.37	13.37
Westport	8.64	1.50	1.00		9.98	9.98	9.98
Westwood	16.53	1.75	1.70	2,941	14.05	27.72	16.31
Weymouth	14.89	1.50	1.38	2,528	16.24	23.90	17.38
Whately	20.87	1.50	1.00		18.84	18.84	18.84
Whitman	13.25	1.50	1.00		19.88	19.88	19.88
Wilbraham	10.79	1.50	1.00		17.00	17.00	17.00
Williamsburg	9.70	1.50	1.00		13.76	13.76	13.76
Williamstown	19.61	1.50	1.00		13.16	13.16	13.16
Wilmington	31.41	1.75	1.60	5,444	13.18	29.08	18.17
Winchendon	13.23	1.50	1.00		15.50	15.50	15.50
Winchester	6.62	1.50	1.00		15.22	14.18	15.15
Windsor	4.66	1.50	1.00		12.72	12.72	12.72
Winthrop	8.07	1.50	1.00		14 25	14.25	14.25
Woburn	35.23	1.73	1.55	8,276	11.67	25.88	16.68
Worcester	28.92	1.59	1.59	21,154	18.06	37.63	23.72
Worthington	7.13	1.50	1.00		13.91	13.91	13.91
Wrentham	14.93	1.50	1.00		15.19	15.19	15.19
Yarmouth	15.36	1.50	1.00		12.10	12.10	12.10

Table 1

Effects of Multiple Tax Rates
➡ *continued from page three*

Figure 2



the CIP percentage of the levy constant, communities have increased the share of the overall tax burden carried by commercial, industrial and personal properties by increasing the CIP factor from 1.30 to 1.54. This has increased the CIP tax rate and decreased the R&O tax rate from what it would be with a single rate. As mentioned earlier, the dollar value of this shift has grown to over $600 million in FY98. Since FY94 the CIP percentage of total assessed value has remained fairly constant and, consequently, the CIP shift has stayed fairly constant at 1.54 to 1.55. *Figure 1* shows this pattern of changes in the total CIP assessed value as a percent of the total value, changes in the CIP factor, and CIP tax levy as a percent of the total levy.

There are 100 communities that have used multiple rates every year for the last seven years. For the 102 communities using multiple rates in FY98, the CIP factor varies from 1.02 to 1.75, with an average of 1.54. There are 22 communities that set their CIP factor at the maximum allowable. For 11 of these communities, the allowable maximum is 1.75, for 3 it is between than 1.5 and 1.75, for 6 it is 1.5 and for two it is lower than 1.5.

Information for each city and town is shown in *Table 1* which lists the following: CIP percent of total valuation, the maximum allowable CIP shift, the actual CIP shift, the dollar amount of the shift, the actual residential tax rate, the actual CIP tax rate, and the single tax rate that would have been in effect if there had not been a shift.

Basically, communities can be divided into three groups based on their maximum allowable shifts: at, below, or above 1.5. A shift of 1.5 is based on the original legislation (Group 1). Communities with a high assessed value of CIP property relative to R&O (i.e., greater than 41.18 percent of the total) will have a maximum allowable shift less than 1.5 (Group 2). Finally, Chapter 200 allows some communities that have had a decrease in the CIP percent share of total assessed value to have a shift higher than 1.5 (Group 3).

Only 52 out of the 299 communities in Group 1 used multiple rates. Of the seven communities in Group 2, six used multiple tax rates (Avon, Ayer, Erving, Everett, Florida and Rowe). All 44 in Group 3 used multiple rates.

Figure 2 looks at use of multiple rates in another way: as a function of the CIP percent of the total assessed value. It shows that the percentage of communities adopting multiple rates increases as CIP share of total assessed value increases. For the 111 communities with the lowest CIP share, 4 percent use multiple rates. Of the 139 with the second-lowest CIP share, 27 percent use multiple rates. Fifty-five percent of the communities with the next higher CIP share use multiple rates. For the 31 communities with the highest CIP share, 71 percent use multiple rates.

Figure 2 also shows the ranges of the actual CIP shift factor as a function of the CIP percentage share of total assessed value. As the CIP percentage of assessed value increases communities not only are more likely to use multiple rates, but also to shift a larger percentage of the total levy share onto the CIP properties. The percentage of communities using a shift factor greater than 1.5 goes from zero percent for the communities with the smallest CIP share to 22.6 percent for communities with the highest CIP percentage share. ■

Written by Donna Demirai and Stan Nyberg

1. Ch.40 Sec.56, Ch.58 Sec.1A, and Ch.59 Sec.2A.

DLS UPDATE

Where is Aquinnah?

On August 7, 1998, the Town of Gay Head, on Martha's Vineyard, officially changed its name to Aquinnah. Aquinnah is a word from the Wampanoag language meaning "land beneath the hill." Chapter 110 of the Acts of 1998 authorized the name change.

Local officials report that after the town meeting vote to adopt the new name and submit the proposed act to the legislature, the Gay Head signs in the community began to disappear. It would appear that there is a new collectible. ■

Water Project Funds

Local communities which need to undertake major projects to protect their public drinking water have a new funding mechanism available. Recent legislation extends the Massachusetts Water Pollution Abatement Trust (MWPAT) to finance drinking water projects of cities, towns and districts.

The new program is intended to facilitate compliance with national primary drinking water regulations. The rehabilitation or development of water sources to replace contaminated sources, the installation or upgrade of drinking water treatment or storage facilities and the installation or replacement of transmission and distribution pipes to prevent contamination are eligible projects. The cost of planning and design of such projects may be included.

Title VI of the federal Clean Water Act provided for the establishment of state revolving loan programs to provide financial assistance to local governments in connection with the construction of municipal sewage treatment facilities. Under the enabling act the Trust is authorized to borrow money through the issuance of bonds and to use the proceeds with other available funds such as Federal Capitalization Grants and Commonwealth Matching Grants to make loans to local governments.

The state revolving fund programs for safe drinking water are expected to operate under terms and conditions substantially similar to the sewer project financing. DEP will publish regulations which will govern application procedures for the Drinking Water Revolving Fund loans shortly. The first loans will be made in the fall. Local governments or any other person authorized to own, operate, finance or otherwise implement such drinking water project are eligible borrowers.

The MWPAT is an important effort to finance environmental improvements. The Trust is a government partnership with federal, state and local participation. ■

For Your Information

The Department of Education is now accepting applications for the FY1999 foundation reserve ("pothole") program, which provides supplementary grants to cities, towns and regional school districts having difficulty meeting their financial commitments under the education reform law. The application deadline is October 5. Further information and application forms are posted on DOE's web site (www.doe.mass.edu) under school finance. ■

Countdown to Y2K

Form 3ABC Revised

Institutions and organizations such as hospitals, schools, churches and cultural institutions, may qualify for an exemption from local taxes on real and personal property they own. Ownership does not automatically entitle an organization to an exemption, however. Exemptions are granted by the assessors when organizations meet the criteria delineated in the Massachusetts General Laws. Every charitable organization owning property on January 1 must file a property return (Form 3ABC) with the local board of assessors in order to receive an exemption for the fiscal year that begins on the next July 1. The return must be received in the assessors' office by March 1.

The "Return of Property Held for Charitable Purposes" (State Tax Form 3ABC) has been revised. The revisions are intended to give charitable and veterans organizations clearer direction about their filing obligations, as well as to provide assessors with relevant information about each organization's purposes and property usage. It should assist assessors in evaluating whether an organization continues to qualify for a real or personal property tax exemption. Organizations must use the revised Form 3ABC beginning with returns due on March 1, 1999. The new form was developed jointly by the Property Tax Bureau and the Exemption Committee of the Massachusetts Association of Assessing Officers.

A new brochure that explains the substantive and procedural requirements organizations must meet in order to qualify for a charitable or religious exemption is also available. Assessors may reproduce the brochure and distribute it to appropriate organizations. For questions about the new form or the brochure, contact Kathleen Colleary at (617) 626-2314. ■

Municipal Fiscal Calendar

September 15

Treasurer/Collector: *Compensating Balance Report*

If compensating balance accounts were maintained during the prior fiscal year, a report and account analysis schedules are required.

Accountant/Superintendent/School Committee: *Jointly Submit End of Year Report to the DOE*

Schedule 1 — determines compliance with prior year Net School Spending requirement.

Schedule 19 — determines compliance with current year Net School Spending requirement.

September 30

State Treasurer: *Notification of Quarterly Local Aid Payments on or Before September 30*

When local aid payments are transmitted to communities, the cover letter indicates what funds (e.g., Ch. 70, Lottery, Highway Fund) will be made available, less quarterly assessments (see Cherry Sheet attachment for details). The Town Treasurer should forward a copy of this letter to the Accountant for record keeping purposes.

Opportunities for Training

Assessment Administration: Law, Procedures and Valuation (Course 101) will be held in the Southborough Police Station training room from 7:00 p.m. to 10:00 p.m. on Tuesdays from September 15 through November 10.

A *Classification Training Workshop* will be given on Tuesday, October 13, at 7:00 p.m. in the Southborough Police Station second floor training room.

Contact Barbara LaVertue, training coordinator, at (617) 626-2340 for more information. ■

Data Bank Highlight

The Municipal Data Bank has several reports on tax rates and tax levies. The following information is available for each city and town on both the website and from the staff: assessed values, tax rates, tax levies and parcel counts by class, and average single family tax bills (FY89 through FY98). There are also several reports which look at trends which can be requested from the Data Bank staff.

To obtain Municipal Data Bank information contact: Stan Nyberg, Dora Brown or Debbie DePerri at (617) 626-2300 for printed roports and data files; Burt Lewis at (617) 626-2358 for the On-Line Access System; or use the World Wide Web address below. ■

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS World Wide Web site at **http://www.state.ma.us/dls** or by writing to PO Box 9655, Boston, MA 02114-9655.

Marilyn H. Browne, Managing Editor

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Mitchell Adams, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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Local Government Partnership Generates Enthusiasm

written by Jean McCarthy

Municipal officials often lament the lack of citizen participation in government. The Division of Local Services has a program to help combat apathy. A Local Government Partnership (LGP) is a year-long educational program developed by the Division of Local Services and conducted by high school social studies departments, local municipal officials and state legislators in the public school system. "The goal," according to Deputy Commissioner Joseph Chessey, "is to ensure that students have a better understanding of government, especially local government, and to encourage them to participate in their own communities."

Communities that have instituted Local Government Partnerships have experienced increased voter registration and government participation by LGP students. In Ludlow, one high school senior was elected to town council and another joined the planning board as an associate member. An Athol student has become a non-voting member of the school committee. In Palmer, Todd Smola, elected to the planning board last year, served as that board's "municipal teacher" for the LGP this year. Todd is very enthusiastic about the program. "Many students see government as aloof and distant. Participating in the Local Government Partnership program makes it real and jump starts the students' interest in government" according to Todd. When Todd taught his class, he brought in plans for the expansion of a local restaurant. He encouraged discussion of the issues surrounding the expansion. Some students became so interested that they attended planning board meetings.

Ludlow, Palmer, Shrewsbury, Avon, and Athol have instituted Local Government Partnership programs in their high school curricula. In September, the number of participating communities will almost double. Stoughton High School, Ashburnham/Westminster Regional High School, South Shore Voc-Tech and Winchendon High School will be implementing their own LGP curricula.

LGP encourages participation.

Under the program, students have the opportunity to meet with various local and state officials to learn about government's structures and procedures. Local officials and state legislators follow prepared lesson plans to explain their roles and responsibilities. Students learn about the duties of the selectmen or mayor, finance committee, assessors, planning board, treasurer, city/town clerk, tax collector, police and fire departments and other government officials. State legislators discuss the roles and responsibilities of a senator or a representative, as well as how laws are made on the local, state and federal levels. They explain how parties, politics and citizens play a role in public policy.

Students may choose to participate in a voluntary portion of the program where they have the opportunity to join in several town hall functions. Most programs include the opportunity to attend the annual town meeting as part of the curriculum.

Students engage in a dialogue with elected and appointed officials. Nancy Allen, Director of Public Health, Town of Shrewsbury, states "The Local Government Partnership program provided an excellent opportunity for me to hear the students' opinions on the environment, our resources, and programs. It was an interesting interchange of ideas and information."

The Local Government Partnership received the Kenneth E. Pickard Memorial Innovation Award in 1997. The Massachusetts Municipal Association (MMA) gives the award to communities which "are continuing to formulate new approaches to solving problems and delivering services." The Town of Ludlow received first place for submitting the program to the MMA. ■

Inside This Issue

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LEGAL

in Our Opinion

Court Rules Excise Valuation System Constitutional

The motor vehicle excise, which is imposed for the privilege of registration,[1] annually generates almost $300,000,000 in revenues for cities and towns. The excise is second only to property taxes as a source of locally generated revenues. State and local officials naturally became interested when the valuation methodology was challenged and became the subject of a Supreme Judicial Court case.[2]

Although the manufacturer's list price for a 1994 Ford truck was $84,332, the transportation company paid $53,659 due to a fleet discount. On the application for registration the company listed Medford as the principal place of garaging. In September 1994, the City of Medford sent a motor vehicle excise bill for $1,106 based on a $75,900 value. The Registry of Motor Vehicles determined this value by applying the statutory percentage (90 percent) to the manufacturer's list price for a truck of the same make, type, model, and year of manufacture.[3] The Registry obtained the list price for trucks from National Market Reports, Inc. which publishes *The Truck Blue Book*. The company filed a timely abatement application claiming that the excise should have been calculated on the vehicle's actual sale price rather than the higher manufacturer's list price.

The Medford assessors denied the application and the company appealed to the Appellate Tax Board (ATB). When the ATB ruled in favor of the City, the taxpayer appealed to the Supreme Judicial Court. Seeking to uphold the decision of the ATB, the Attorney General intervened on behalf of the Commissioner of Revenue.

On appeal, the Court first examined the language of M.G.L. Ch.60A Sec.1 which provides in pertinent part:

> For the purpose of this excise the value of each such motor vehicle or trailer shall be deemed to be the value, as determined by the Commissioner [of Revenue], of motor vehicles or trailers of the same make, type, model and year of manufacture as designated by the manufacturer, but not in excess of the following percentages of the list price established by the manufacturer. ...

In the Court's view, the statutory purpose was not to apply a fair cash value standard to the valuation of *each* individual vehicle. Rather, the intent of the statute was to value collectively all vehicles in the same classification based on the manufacturer's list price. In keeping with the legislative purpose, the Commissioner had decided to employ standardized Blue Book values rather than an individualized approach to value. The Court, therefore, ruled that the value for purposes of motor vehicle excise was not statutorily required to be the purchase price.

The Court then addressed the company's argument that the Commissioner's valuation methodology violated federal and state constitutional requirements. Citing prior decisions, the Court held that M.G.L. Ch.60A's use of manufacturer's list price did not violate due process requirements. Although standardized values were not perfect, the use of approximate values was not entirely arbitrary. The vehicle itself was not directly taxed, as would be true with a property tax, but rather the excise was imposed for the privilege of registration. Furthermore, the use of manufacturer's list price was not excessive since Chaper 60A's depreciation schedule resulted in a vehicle in later years being valued at less than market value. For example, a truck in the fourth year would probably be worth more than the 25 percent of its list price which was the amount in the schedule. The taxpayer, therefore, was not deprived of its due process rights.

The company's claim that the excise violated the state constitution also lacked merit. Unlike ad valorem property taxes which must be proportional and reasonable, the State Constitution merely requires excises to be reasonable.[4] This legal standard, in the Court's view, was satisfied by fair approximations to calculate the value of the privilege. A precise valuation methodology was not required under the state constitution.

Consequently, the Court agreed with the Appellate Tax Board that M.G.L. Ch.60A establishes "an automated, efficient, and equitable process of assessing the excise on all motor vehicles registered in the Commonwealth." The taxpayer's claim that excise must be based on sale price was rejected. ■

written by James Crowley

1. M.G.L. Chapter 60A.
2. *Lily Transportation Corp. v. Assessors of Medford* 427 Mass. 228 (1998).
3. M.G L. Ch.60A Sec.1.
4. Part II, Chapter 1, Section 1, Article IV.

Countdown to Y2K

Is your vendor on schedule? Do you assume everything will be fine? Trust, but verify. Get it in writing or see test results.

Focus on Municipal Finance

Municipal Debt FY93–FY97

Debt service and outstanding debt are significant components of a community's fiscal health. High levels of debt are prevalent in growing suburban communities and older urban communities with considerable capital needs. This article examines recent trends in borrowing by Massachusetts cities and towns. The analysis will rank all cities and towns using two widely accepted methods: debt service[1] as a percent of budget and debt outstanding[2] as a percent of total assessed value. The article also looks at what communities buy with their bond proceeds.

Lower interest rates and increasing operating budgets are the major factors contributing to the decrease in the percentage of operating budgets spent on debt service from 8.5 percent in FY93 to 6.2 percent in FY97 (*Figure 1*). Interest rates reached an historic 20-year-low during FY93. From July 1992 to June 1995 operating budgets increased by 10.1 percent as a result of increases in state aid, local estimated receipts and improved tax collections. Lower rates and increased budgets tell most but not all of the story, since communities also benefited by "refinancing" older high interest bonds.

When combined, these positive factors produce a 6.2 percent statewide average of debt service as a percent of operating budgets in FY97 as shown in *Table 1*. Debt levels based on this indicator are considered low according to an article prepared for the National Government Finance Officers Association (*Government Finance Review*, August 1991) According to this report, local government is considered low at 0–8 percent, medium at 8–15 percent and high when more than 15 percent of the operating budget is spent on debt service costs. It is important to note that the authors of the GFOA report include "overlapping debt" in their analysis. Overlapping debt is debt that is paid by a community, but is issued by other entities such as regional schools, water and sewer commissions and counties. Since this analysis is based on information from Schedule A, it does not include overlapping debt. Communities in regional school districts or the MWRA, for example, should consider overlapping debt in evaluating their debt positions.

Figure 1 also demonstrates that the amount of debt outstanding as a percent of the total assessed value of real and personal property increasing at a moderate, stable rate. Although this indicator increased from 1.06 percent to 1.62 percent during the period, the increase has not resulted in greater pressure on operating budgets due to the combination of factors discussed above. Using the GFOA report as a guide, 0–2 percent is considered low, 2–5 percent is medium, 5–8 percent is above average and 8 percent is considered high.

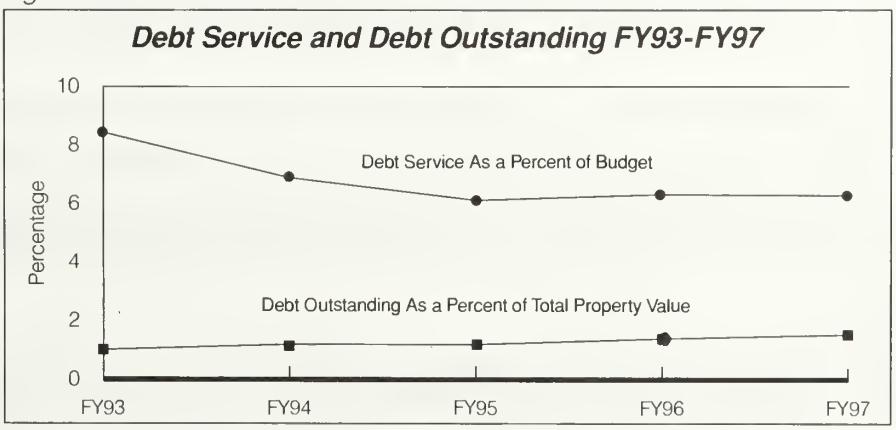
Local government in Massachusetts provides a mix of school, police, fire and public works services. Not surprisingly, the purposes for which cities and towns borrow money closely mirror those service areas. *Figures 2* and *3* detail the purposes which comprise local bond sales. The charts list the most common purposes for borrowing and display each purpose as a percentage of all debt issued that fiscal year.[3]

Readers familiar with local government finance will not be surprised to see that schools are the single largest category followed at a great distance by sewer, water and municipal buildings. Although individual categories fluctuate from year-to-year, they also do not seem to change dramatically over the five-year period. A more detailed analysis reveals that very large projects bonded by an individual community or small groups of communities create peaks and valleys on each chart.

School construction averages approximately 43 percent of all debt issued. Peak years in FY93 and FY95 were created when a few large school building projects were either financed or refinanced. During FY93 Palmer, Sandwich and Springfield all issued bonds for $20 million or more, and Brookline, Plymouth and Winchendon each issued bonds in excess of $13 million for school purposes. One of our state's

continued on page six ➡

Figure 1



FY97 Debt Service as a Percentage of Operating Budgets and FY97 Outstanding Debt as a Percentage of Assessed Value

	Debt Service^	As a % of Budget	Rank	Debt Outstanding^^	As a % of Value	Rank
Abington	1,373,173	5.83	157	9,751,774	1.48	124
Acton	424,344	1.08	308	770,000	0.05	322
Acushnet	57,044	0.42	322	5,725,200	1.31	139
Adams*	99,750	1.10	307	2,925,000	0.97	181
Agawam	1,514,554	3.49	241	13,805,094	1.02	171
Alford	0	0.00	329	130,000	0.15	295
Amesbury	2,829,638	9.42	66	24,220,624	3.18	35
Amherst	2,869,103	6.73	133	16,645,000	1.65	106
Andover	6,955,242	9.30	69	65,560,000	2.12	75
Arlington	1,957,801	2.62	265	18,731,690	0.67	224
Ashburnham	550,978	8.81	74	6,340,431	2.49	57
Ashby	25,927	0.75	317	22,834	0.02	327
Ashfield	187,110	7.88	96	120,000	0.11	306
Ashland	1,892,511	7.99	90	20,811,185	2.37	63
Athol	466,198	5.20	182	3,776,800	1.17	150
Attleboro	8,789,994	12.97	20	92,470,904	5.75	11
Auburn	943,614	3.91	225	5,220,000	0.62	229
Avon	0	0.00	330	0	0.00	333
Ayer	964,253	5.58	166	12,318,290	2.31	67
Barnstable	7,268,007	7.79	103	65,955,186	1.44	126
Barre	924,763	15.95	9	5,637,991	2.99	43
Becket	18,096	0.66	319	592,000	0.30	276
Bedford	3,089,844	8.56	78	11,890,000	0.95	183
Belchertown	1,857,468	8.35	84	13,661,936	2.50	55
Bellingham	2,807,112	10.00	56	20,348,000	2.22	71
Belmont	3,923,994	7.12	121	21,834,207	0.90	188
Berkley	700,626	9.50	64	4,702,000	1.80	96
Berlin	169,422	3.81	230	280,000	0.14	298
Bernardston	7,420	0.34	326	150,000	0.14	297
Beverly*	2,501,357	3.65	238	19,651,000	0.87	195
Billerica	4,838,703	6.66	136	28,392,359	1.31	137
Blackstone	94,947	1.20	304	360,500	0.11	307
Blandford	32,657	2.31	273	306,687	0.38	261
Bolton	325,449	4.36	207	10,465,000	2.82	46
Boston	112,903,689	7.93	94	764,545,000	2.47	59
Bourne	2,657,786	9.48	65	16,578,259	1.15	151
Boxborough	865,709	10.32	48	8,528,641	2.16	74
Boxford	1,447,975	10.01	54	7,625,000	1.02	172
Boylston	81,887	1.47	297	675,000	0.26	281
Braintree	670,959	0.97	311	8,806,130	0.37	263
Brewster	3,349,863	14.84	13	17,265,000	1.60	112
Bridgewater	1,387,593	5.63	164	22,282,547	2.29	69
Brimfield	486,888	8.81	73	4,050,000	2.40	61
Brockton	6,436,257	3.37	244	21,515,408	0.82	203
Brookfield	636,674	13.06	18	4,976,000	4.40	18
Brookline	7,167,697	5.56	167	48,864,300	0.99	176
Buckland	69,777	2.90	255	155,210	0.16	293
Burlington	2,348,760	4.08	217	18,155,000	0.89	192
Cambridge	19,923,699	7.11	123	79,134,995	1.09	160
Canton	1,907,131	4.55	205	13,381,629	0.83	199
Carlisle	1,293,145	11.41	35	8,190,000	1.51	120
Carver	1,857,115	8.81	75	16,883,790	3.55	26
Charlemont	121,258	7.12	122	187,383	0.31	273
Charlton	398,951	4.37	206	4,046,400	0.77	208
Chatham	3,716,562	17.77	2	53,572,001	3.35	31
Chelmsford	5,831,531	9.99	57	32,979,586	1.63	109
Chelsea	11,864,610	15.53	10	101,493,762	12.41	1
Cheshire	53,122	1.80	288	935,000	0.65	225
Chester*	0	0.00	331	0	0.00	334
Chesterfield	91,246	5.88	155	242,043	0.40	260
Chicopee	3,379,376	3.80	232	32,208,000	1.64	108
Chilmark	155,536	4.64	198	461,000	0.05	320
Clarksburg	47,634	2.13	279	630,660	1.13	155
Clinton	1,297,591	6.70	134	15,370,000	3.25	33
Cohasset	1,478,904	8.00	88	12,588,500	1.50	122
Colrain	38,422	1.86	285	62,100	0.07	317
Concord	3,274,896	8.78	76	18,145,000	0.80	205
Conway	408,999	12.50	24	2,850,000	2.58	53
Cummington	102,309	7.90	95	484,158	0.79	206
Dalton	67,980	0.78	316	1,665,000	0.52	246
Danvers	2,514,108	4.70	195	24,619,000	1.29	142
Dartmouth	2,165,257	5.24	181	13,112,000	0.69	221
Dedham	588,052	1.31	301	3,270,625	0.20	287
Deerfield	824,314	9.24	70	5,870,000	1.81	95
Dennis	1,361,678	5.35	178	7,600,859	0.38	262
Dighton	87,858	1.26	302	606,700	0.21	286
Douglas	1,211,324	11.21	40	6,850,727	2.21	72
Dover	577,506	4.60	202	1,305,600	0.15	296
Dracut	2,706,898	6.95	126	15,881,634	1.37	132
Dudley	686,230	8.38	82	5,102,363	1.40	130
Dunstable	211,060	5.80	160	369,000	0.20	288
Duxbury	1,367,646	4.11	216	10,387,000	0.75	211
E. Bridgewater	1,129,968	5.15	183	16,215,000	2.68	50
E. Brookfield	0	0.00	332	100,000	0.09	312
E. Longmeadow	1,336,150	5.09	184	6,300,000	0.68	222
Eastham	1,592,495	13.32	17	4,935,000	0.61	230
Easthampton	1,456,488	6.34	141	6,622,000	1.07	162
Easton	1,816,841	5.45	173	32,615,500	2.88	44
Edgartown	1,389,922	9.74	60	21,965,456	1.85	90
Egremont	33,097	1.47	298	445,219	0.26	282
Erving	44,865	1.13	306	467,750	0.34	270
Essex	228,474	3.84	227	1,195,175	0.42	257
Everett	1,792,997	2.44	270	12,435,460	0.61	231
Fairhaven	1,291,859	4.98	189	13,293,000	1.51	119
Fall River	2,451,660	1.63	293	31,399,967	1.18	148
Falmouth	2,591,181	4.29	208	17,508,000	0.49	249
Fitchburg	4,079,109	5.97	154	22,525,000	1.91	83
Florida	0	0.00	333	0	0.00	335
Foxborough	1,685,764	5.55	169	5,571,806	0.52	245
Framingham	4,903,722	3.65	237	40,743,362	1.07	163
Franklin	5,264,127	10.37	46	32,165,000	1.83	93
Freetown	173,550	1.45	299	400,000	0.09	313
Gardner	2,426,647	7.44	110	23,391,610	4.03	19
Aquinnah	85,933	5.82	159	67,916	0.04	325
Georgetown	1,077,918	8.48	79	23,665,000	5.16	14
Gill	88,078	6.09	152	363,450	0.53	243
Gloucester	4,511,519	7.85	99	68,646,993	3.60	23
Goshen	34,738	2.63	263	25,000	0.04	324
Gosnold	20,821	3.28	247	0	0.00	330
Grafton	1,201,308	6.24	144	3,960,000	0.59	233
Granby	333,388	4.17	214	2,876,457	1.03	168
Granville	413,680	16.16	8	2,844,549	3.12	39
Grt. Barrington	727,419	5.30	179	8,286,500	1.63	111
Greenfield	2,174,520	6.93	127	18,390,828	2.53	54
Groton	1,548,008	11.26	38	10,343,785	1.79	98
Groveland*	581,662	7.75	104	3,727,700	1.24	144
Hadley	1,426,891	17.50	3	10,944,345	3.10	40
Halifax	810,940	7.27	116	5,991,350	1.86	89
Hamilton	0	0.00	334	0	0.00	336
Hampden	328,093	5.61	165	1,390,000	0.52	247
Hancock	0	0.00	335	0	0.00	337
Hanover	1,452,903	5.51	171	7,020,000	0.71	216
Hanson	1,147,818	9.81	59	4,700,000	0.99	177
Hardwick	0	0.00	336	139,403	0.12	303
Harvard	1,344,715	11.74	31	5,580,000	1.12	157
Harwich	3,259,703	11.74	30	16,188,000	1.03	169
Hatfield	486,898	7.98	91	3,657,733	1.37	133
Haverhill	8,869,792	6.52	138	94,396,522	4.67	15
Hawley	0	0.00	337	0	0.00	338
Heath	121,000	9.41	67	3,413,796	7.83	2
Hingham	1,216,726	2.73	258	11,068,268	0.56	237
Hinsdale	143,370	6.10	150	2,086,332	1.92	82
Holbrook	1,032,842	5.53	170	8,711,591	1.79	97
Holden	1,190,124	5.73	163	7,354,000	0.90	189
Holland	41,303	1.19	305	503,999	0.33	271
Holliston	416,889	1.69	291	3,157,000	0.35	268
Holyoke	10,261,549	10.12	52	79,605,001	6.80	4
Hopedale	1,169,478	11.07	41	8,886,150	3.22	34
Hopkinton	3,279,931	13.73	15	27,611,727	2.66	51
Hubbardston	56,038	1.60	296	194,978	0.12	301
Hudson	1,642,537	5.05	186	11,465,465	1.24	145
Hull	1,229,026	5.35	177	3,338,879	0.54	240
Huntington	47,262	2.18	277	112,700	0.12	304
Ipswich	585,584	2.66	262	7,715,185	0.84	198
Kingston	888,521	4.65	196	6,025,000	0.92	187
Lakeville	834,867	6.20	147	5,414,300	0.92	186
Lancaster	183,412	2.70	259	509,000	0.16	294
Lanesborough	47,643	0.92	313	827,300	0.36	265
Lawrence	9,908,448	6.83	131	72,200,000	6.37	6
Lee	607,646	5.82	158	3,362,200	0.88	194
Leicester	1,493,184	9.21	71	13,494,773	3.59	24
Lenox	1,986,901	15.03	12	25,960,485	6.01	8
Leominster	3,416,150	4.93	191	32,335,000	2.02	79
Leverett	89,140	3.36	246	761,233	0.71	220
Lexington	5,284,367	6.38	140	19,774,427	0.56	238
Leyden	42,987	5.01	188	314,250	0.83	200
Lincoln	1,812,806	10.61	44	15,593,000	1.73	101
Littleton	1,163,734	7.38	112	6,892,500	1.18	149
Longmeadow	1,627,035	5.02	187	12,110,545	1.05	165
Lowell	19,720,652	9.57	62	195,970,000	7.74	3
Ludlow	1,319,934	4.23	211	9,013,563	1.01	174
Lunenburg	433,956	3.08	251	2,228,000	0.45	253
Lynn	3,457,902	2.28	274	29,272,404	1.29	141
Lynnfield	499,656	2.48	268	3,120,000	0.31	274
Malden	3,246,995	3.86	226	14,947,758	0.75	210
Manchester	832,707	6.19	148	11,823,000	1.50	121
Mansfield	3,128,882	7.59	107	34,830,000	2.69	49
Marblehead	1,641,538	4.07	219	9,660,000	0.45	252
Marion	829,653	8.37	83	3,342,000	0.55	239
Marlborough	4,692,627	7.14	118	27,009,000	1.30	140
Marshfield	2,840,050	6.42	139	9,877,532	0.62	228
Mashpee	3,034,256	11.53	34	36,031,550	2.86	45
Mattapoisett	891,427	7.80	102	4,120,200	0.71	218
Maynard	917,035	5.08	185	5,100,073	0.89	191
Medfield	1,893,970	8.18	87	19,725,000	2.07	78
Medford	1,118,608	1.24	303	9,362,470	0.35	269
Medway	1,139,341	5.41	175	14,115,150	2.02	80
Melrose	1,003,751	2.16	278	7,799,961	0.50	248
Mendon	42,049	0.81	315	38,790	0.01	329
Merrimac	1,126,751	15.29	11	8,064,890	3.14	38

	Debt Service^	As a % of Budget	Rank	Debt Outstanding^^	As a % of Value	Rank
Methuen	4,285,297	6.30	142	63,980,221	3.48	30
Middleborough	2,458,829	6.85	129	12,636,000	1.44	127
Middlefield	2,188	0.35	325	5,250	0.02	328
Middleton	829,028	7.87	97	7,208,800	1.35	136
Milford	3,417,722	7.38	113	29,639,000	2.34	66
Millbury	717,836	4.15	215	5,582,717	1.08	161
Millis	1,169,221	8.43	80	8,988,000	2.01	81
Millville	0	0.00	338	0	0.00	339
Milton	1,180,170	2.44	269	7,142,433	0.41	259
Monroe	0	0.00	339	0	0.00	340
Monson	1,813,712	12.77	22	13,584,321	3.66	21
Montague	346,513	3.50	240	3,045,116	0.77	209
Monterey	35,728	2.03	282	112,000	0.07	318
Montgomery	0	0.00	340	0	0.00	341
Mt. Washington	0	0.00	341	0	0.00	342
Nahant	789,235	11.24	39	5,451,123	1.79	99
Nantucket	6,098,177	13.02	19	21,392,565	0.67	223
Natick	2,912,000	4.64	197	46,184,430	1.87	88
Needham	4,735,083	7.33	115	22,728,844	0.75	212
New Ashford	3,375	0.89	314	15,000	0.08	316
New Bedford	8,551,792	4.78	194	185,460,000	6.61	5
New Braintree	41,737	3.49	242	136,000	0.29	277
New Marlborough	109,216	4.61	201	243,600	0.13	300
New Salem	146,067	11.90	27	829,218	1.60	113
Newbury	1,549,305	17.15	5	12,625,000	2.63	52
Newburyport	1,420,638	4.61	199	12,764,000	1.14	154
Newton	5,752,000	2.89	256	27,263,304	0.32	272
Norfolk	1,060,653	6.78	132	8,797,522	1.47	125
N. Adams	2,078,014	7.12	120	24,886,827	5.90	9
N Andover	4,473,058	10.65	43	62,682,834	3.50	29
N. Attleborough	3,437,841	7.81	101	47,940,037	3.54	27
N Brookfield	606,848	7.82	100	5,133,244	2.77	47
N Reading	2,726,806	9.51	63	17,040,000	1.72	103
Northampton	5,239,526	10.59	45	43,050,000	3.09	41
Northborough	1,574,225	7.14	119	10,704,684	1.14	152
Northbridge	1,273,721	6.20	146	3,821,800	0.73	213
Northfield	399,886	11.40	36	3,069,532	1.90	84
Norton	1,030,858	3.64	239	7,895,000	1.03	170
Norwell	592,923	2.76	257	10,638,000	1.05	164
Norwood	128,010	0.16	327	407,250	0.02	326
Oak Bluffs	1,609,510	11.92	25	12,383,472	1.82	94
Oakham	0	0.00	342	175,000	0.20	289
Orange	770,452	6.09	151	4,174,387	1.85	91
Orleans	1,676,185	10.03	53	4,810,000	0.42	256
Otis	0	0.00	343	0	0.00	343
Oxford	335,638	1.82	287	450,000	0.09	314
Palmer	3,595,004	16.72	6	27,379,400	5.28	13
Paxton	221,482	4.21	213	1,015,000	0.43	255
Peabody	4,115,058	4.61	200	46,175,000	1.52	118
Pelham	14,955	0.72	318	196,000	0.24	283
Pembroke	591,894	2.32	272	1,219,924	0.13	299
Pepperell	916,162	7.37	114	5,280,000	1.01	173
Peru	17,269	1.71	290	44,000	0.12	302
Petersham	0	0.00	344	0	0.00	344
Phillipston	0	0.00	345	0	0.00	345
Pittsfield	3,344,031	4.24	209	25,870,000	1.41	129
Plainfield	18,494	1.74	289	112,098	0.23	284
Plainville	407,311	3.97	222	2,925,000	0.73	214
Plymouth	5,556,175	5.44	174	34,707,620	1.11	159
Plympton*	5,940	0.15	328	165,000	0.11	308
Princeton	648,609	12.68	23	5,506,000	2.42	60
Provincetown	1,139,534	7.06	124	6,930,175	1.12	158
Quincy	9,412,997	5.83	156	109,272,985	2.50	56
Randolph	1,379,292	2.92	253	8,498,836	0.60	232
Raynham	68,307	0.51	321	450,000	0.07	319
Reading	2,616,152	5.55	168	29,447,000	1.84	92
Rehoboth	103,559	1.01	310	2,229,900	0.36	266
Revere	1,071,981	1.44	300	15,445,365	0.97	179
Richmond	61,007	1.83	286	80,671	0.05	321
Rochester	655,870	7.69	105	4,240,000	1.56	115
Rockland	2,148,588	6.96	125	13,830,000	1.72	102
Rockport	2,999,521	16.53	7	26,113,239	3.58	25
Rowe	0	0.00	346	0	0.00	346
Rowley	1,004,047	13.54	16	4,954,500	1.53	117
Royalston	0	0.00	347	0	0.00	347
Russell	79,242	3.37	245	2,578,379	3.63	22
Rutland	179,325	2.62	264	14,254,090	5.78	10
Salem	5,526,055	7.39	111	41,950,000	2.12	76
Salisbury	540,135	4.96	190	7,222,254	1.38	131
Sandisfield	12,900	0.96	312	0	0.00	332
Sandwich	3,336,681	9.90	58	24,154,600	1.66	104
Saugus	1,905,180	4.22	212	22,097,000	1.20	147
Savoy	16,721	1.61	295	65,463	0.19	290
Scituate	2,015,674	6.02	153	13,587,000	0.94	184
Seekonk	486,882	2.13	280	12,210,000	1.24	143
Sharon	3,190,862	9.68	61	16,728,781	1.49	123
Sheffield	0	0.00	348	0	0.00	348
Shelburne*	0	0.00	349	0	0.00	349
Sherborn	758,753	6.87	128	1,820,000	0.31	275
Shirley	199,730	2.66	261	1,350,000	0.57	236
Shrewsbury	2,366,829	5.46	172	16,270,000	0.93	185
Shutesbury	377,435	11.39	37	3,506,622	3.17	36
Somerset	1,839,045	5.38	176	11,420,000	0.86	196
Somerville	5,865,324	4.86	192	53,259,935	1.89	85
S. Hadley	923,221	3.83	228	7,363,345	0.98	178
Southampton	1,045,226	13.78	14	9,140,326	3.33	32
Southborough	611,454	3.96	223	11,020,000	1.37	135
Southbridge	2,914,785	10.01	55	23,145,000	4.66	16
Southwick	622,879	6.30	143	3,440,000	0.82	202
Spencer	792,943	8.23	85	4,728,330	1.04	166
Springfield*	12,810,682	3.99	221	104,486,714	2.74	48
Sterling	189,311	1.96	283	1,978,000	0.48	250
Stockbridge	0	0.00	350	0	0.00	350
Stoneham	1,193,379	2.93	252	4,948,385	0.36	264
Stoughton	1,842,005	3.79	233	13,838,660	0.97	180
Stow	376,431	3.74	235	5,457,788	1.21	146
Sturbridge	650,650	4.79	193	4,234,628	0.90	190
Sudbury	1,724,550	4.60	203	10,050,000	0.58	234
Sunderland	547,876	12.95	21	3,280,341	2.16	73
Sutton	1,476,967	11.92	26	4,721,800	1.13	156
Swampscott	2,037,541	7.15	117	20,451,520	1.88	87
Swansea	694,648	3.43	243	4,055,000	0.46	251
Taunton	6,520,916	6.65	137	36,869,005	1.75	100
Templeton	399,185	5.74	162	3,526,060	1.41	128
Tewksbury	4,145,862	8.22	86	28,359,960	1.65	107
Tisbury	883,253	6.83	130	4,908,000	0.80	204
Tolland	46,904	8.67	77	169,766	0.19	291
Topsfield	243,692	2.28	275	1,157,000	0.22	285
Townsend	381,146	3.93	224	1,778,828	0.45	254
Truro*	636,611	10.30	49	5,129,093	0.89	193
Tyngsborough	1,844,890	10.36	47	11,801,562	2.37	64
Tyringham	32,704	3.80	231	75,854	0.10	309
Upton	134,093	1.96	284	1,052,537	0.27	280
Uxbridge	1,599,754	9.12	72	23,022,010	4.62	17
Wakefield*	290,272	0.62	320	4,615,687	0.29	278
Wales	0	0.00	351	0	0.00	351
Walpole	1,579,454	4.00	220	12,784,054	0.85	197
Waltham	3,377,334	2.92	254	10,540,621	0.28	279
Ware	554,451	3.78	234	5,738,800	1.54	116
Wareham	2,984,006	7.96	93	26,760,799	2.23	70
Warren	192,350	3.71	236	1,307,516	0.72	215
Warwick	10,529	1.06	309	0	0.00	331
Washington	2,711	0.35	324	207,255	0.54	241
Watertown	1,318,343	2.19	276	28,194,924	1.31	138
Wayland	3,485,798	10.17	50	20,255,000	1.37	134
Webster	1,971,747	7.86	98	16,260,006	2.48	58
Wellesley	3,382,834	6.20	145	21,840,000	0.54	242
Wellfleet	763,270	8.39	81	4,030,000	0.58	235
Wendell*	153,424	11.82	29	951,312	2.38	62
Wenham	106,640	1.61	294	425,000	0.12	305
W. Boylston	882,561	7.54	108	15,497,500	3.91	20
W. Bridgewater	843,606	6.15	149	8,075,000	1.65	105
W. Brookfield	19,794	0.42	323	639,500	0.36	267
W. Newbury	553,640	7.97	92	2,263,689	0.71	217
W. Springfield	1,260,904	2.57	266	27,642,000	2.09	77
W. Stockbridge	90,668	3.26	248	1,542,062	1.04	167
W. Tisbury	146,622	2.08	281	523,000	0.09	311
Westborough	4,607,228	11.60	32	34,466,124	2.36	65
Westfield	8,152,184	11.00	42	50,900,000	3.14	37
Westford*	2,901,140	8.00	89	23,954,000	1.58	114
Westhampton	459,251	17.26	4	2,626,000	2.99	42
Westminster	614,871	6.67	135	3,175,000	0.82	201
Weston	2,681,519	7.68	106	19,105,000	0.97	182
Westport	294,569	1.65	292	1,075,000	0.10	310
Westwood	1,984,577	5.79	161	9,981,724	0.65	226
Weymouth	3,709,423	4.24	210	29,385,875	1.14	153
Whately	508,056	18.28	1	3,762,681	3.50	28
Whitman	1,585,804	9.32	68	9,900,000	1.89	86
Wilbraham	758,863	4.08	218	3,441,028	0.42	258
Williamsburg	255,231	7.52	109	2,250,244	1.63	110
Williamstown	462,751	3.82	229	4,014,000	0.78	207
Wilmington	1,779,081	4.58	204	2,827,100	0.19	292
Winchendon	2,101,530	11.56	33	19,415,000	6.29	7
Winchester	2,377,587	5.29	180	13,441,010	0.64	227
Windsor	27,534	2.68	260	24,606	0.04	323
Winthrop	859,337	3.15	249	4,095,000	0.53	244
Woburn	1,654,845	2.36	271	17,764,000	0.71	219
Worcester	33,847,046	10.12	51	289,609,700	5.71	12
Worthington	42,446	2.52	267	62,524	0.08	315
Wrentham	549,298	3.11	250	6,342,500	0.99	175
Yarmouth	5,426,018	11.85	28	48,304,640	2.31	68
State totals	**742,956,202**	**6.22**		**5,901,674,324**	**1.62**	

^Debt Service includes principal and interest on long term debt and interest on BANs.

^^Debt Outstanding includes Bonds and Bond Anticipation Notes as of 6/30/97. This total does not include "overlapping debt."

Communities with (*) are not final or have not yet submitted Schedule A.

Table 1

Municipal Debt
➡ *continued from page three*

Figure 2

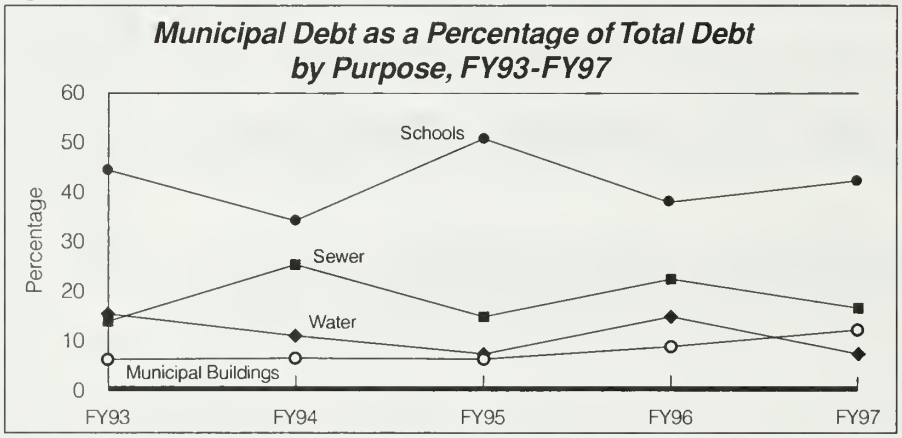
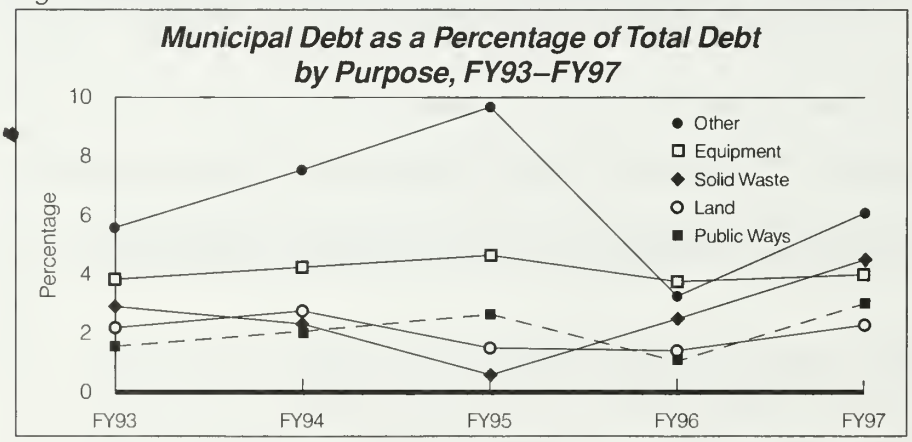


Figure 3



largest local capital projects occurred in FY95 when Chelsea replaced every school in the city at a cost of $110 million. Chelsea alone accounts for most of the increase that year but Lowell and Barnstable also helped with large projects of their own.

In the sewer department, projects range from 15 percent to 27 percent of all debt issued but do not vary greatly from their 20 percent average over the five-year period. Each one of the peaks in sewer borrowing is attributable to large projects financed by the State Revolving Fund. In June 1993, the Massachusetts Water Pollution Abatement Trust (SRF) issued the first combined bond sale (Pool 1) for $91 million to provide subsidized financing to 19 municipalities. It later issued $151 million of refunding bonds in FY96 for New Bedford to refinance a large wastewater treatment plant and harbor clean-up project.

Water projects began the period tied with sewer for second place when Pittsfield, North Andover and Somerset were involved in major drinking water projects. This category slumped until FY96 when the cities of Attleboro, Holyoke and Worcester invested over $63 million of new money to upgrade their water systems.

One of the most volatile categories is "Other." It begins the period at six percent and ends at six percent but fluctuates considerably in between. Urban renewal projects are included in this category as well as electric light plants, recreation, airports, and industrial development bonds. Urban renewal in Lawrence and electric light projects in Peabody, Concord and Westfield began the upward trend in FY94. Worcester's Medical City project was partially funded in FY95 with $31 million of new debt.

Overall, local governments in Massachusetts have moderate levels of debt which have been stable for the past three years. Using accepted benchmarks, our cities and towns are conservative both in the amount of money expended for annual debt service and the total amount of principal outstanding. ■

written by Christopher Harrington
data analysis by Dora Brown

1. Debt Service for this analysis is principal and interest on long term debt plus interest paid on bond anticipation notes (BANs).
2. Debt Outstanding is principal due on bonds and BANs as of 6/30/97.
3. This analysis disregards hospital revenue bonds issued in FY93 and FY94 by Boston and Quincy to prevent data distortion.

Correction

The article entitled *Abolition of Country Government?* which appeared in the August 1998 issue of *City & Town* included incorrect information on a process for establishing a county charter commission. That section of Chapter 48 of the Acts of 1997 was vetoed. ■

DLS UPDATE

Japanese Visitors Learn About Our Property Tax System

A delegation of seven officials from the Research Center for Property Assessment Systems in Japan met with Deputy Commissioner Joseph J. Chessey Jr. and several of his staff on September 10. The delegation included the president of the Japan Agricultural Land Development Agency, the deputy director of the Property Tax Division of the Ministry of Home Affairs (analogous to the Division of Local Services), the chief analyst of the Institute of Urban Economy, the business manager from the Research Center for Property Assessment Systems and the finance directors of the communities of Hokkaido, Hiroshima and Hamamatsu City. The delegation visited Boston to research the state and local government's role regarding the real property tax and to examine assessment practice and administration. They had specific questions on the appraisal methods used for various property types, the classification of property, the process for handling assessment complaints and how tax rates are determined here. Through an interpreter, the visitors asked detailed questions and shared information about their tax system. The Japanese also have a locally assessed property tax with a January 1 date of assessment and a fiscal year which begins April 1. They use a cost based system with formulas for depreciation. Recently, they have experienced a decline in land values and asked how Massachusetts handled such situations. The delegates were very surprised to learn that assessment information is public record here. In Japan, a taxpayer may only know his own assessment.

When asked why they chose to visit Massachusetts, the Japanese officials responded that a person from Massachusetts headed the Shoup Mission which set up the Japanese property tax system in 1950, so there are similarities between systems. Also, a representative of the International Association of Assessing Officers (IAAO) suggested Massachusetts as a state exemplifying good assessment practices. After their visit to DLS, the delegation visited Atlanta, Georgia, to learn about assessment practices there and then attended the IAAO Convention in Orlando.

In addition to Deputy Commissioner Chessey, the DLS staff participating in the meeting included Jean McCarthy, Gerard Perry, Anthony Rassias and Bruce Stanford. ■

Changes at DLS

Deputy Commissioner Joseph J. Chessey Jr. has announced the promotion of Gerard Perry to Associate Deputy Commissioner of the Division of Local Services. Gerry has served as Director of Administration and Special Projects for DLS for almost two years. Gerry has managed the education reform school audit program since its inception. In his new capacity, Gerry will oversee day-to-day management of the Division. Gerry was with the Department of Revenue's Inspectional Services Division for 13 years before joining DLS. A graduate of Northeastern University, Gerry lives in Swampscott where he served as chairman of the capital improvement committee for six years and chairman of the finance committee for two years.

With the expansion of the audit program, Deputy Commissioner Chessey has announced the creation of the Education Audit Bureau and the promotion of Dieter Wahl to serve as its bureau chief. DLS has been performing audits of local school systems under the direction of the Education Management Accountability Board (established by Executive Order 393). Since the audit program began, Dieter has been auditor-in-charge. To date, DLS has audited the Malden, Lowell, Brockton, Lexington, Triton Regional, and Worcester school systems. Dieter, who has been with DOR since 1992, is a graduate of Harvard University and lives in West Newbury where he has been a member of the finance committee.

Judy Luca is the new Assistant Director of the Bureau of Accounts. Deputy Commissioner Chessey announced her appointment in September 1998. In her new capacity, Judy will be responsible for supervising the field staff and establishing accounting policies. A CPA, Judy has been with the Bureau of Accounts for seven years. A graduate of the University of South Dakota, Judy lives in Lexington. ■

Congratulations in Order!

The Town of Great Barrington is the first semi-annual tax billing community to set a tax rate for FY1999. On August 14, James R. Johnson, director of accounts, sent a letter commending Great Barrington for submitting the first tax rate to be reviewed and approved by the Bureau of Accounts for this fiscal year. Great Barrington has been the first to set its tax rate in three of the past four years. ■

Municipal Fiscal Calendar

October 31
Accountant: *Submit Schedule A for Prior Fiscal Year*

Selectmen: *Begin Establishing Next Fiscal Year Budget Guidelines and Request Departmental Budgets*

Assessors: *Begin Work on Tax Rate Recapitulation Sheet (to set tax rate for quarterly tax bill communities)*

November 1
Taxpayer: *Semi-annual Tax Bill — Deadline for First Payment*

Taxpayer: *Semi-annual Tax Bills — Application Deadline for Property Tax Abatement*

Taxpayer: *Quarterly Tax Bills — Deadline of 2nd Quarterly Tax Bill Without Interest*

Treasurer: *Deadline for Payment of First Half of County Tax*

November 15
Treasurer: *First Quarter Reconciliation of Cash (due 45 days after end of quarter)*

Selectmen: *Review Budgets Submitted by Department Heads*
This date will vary depending on dates of town meeting.

Job Opportunities

Project Manager for Technical Assistance — The primary function of this position is to produce written management reports and financial analyses that evaluate local government financial systems and the effectiveness of financial officials in meeting their statutory and management responsibilities. The project manager will coordinate the work of other Division staff assigned to a given project and will be responsible for monitoring project status (quality, time and schedule). Other job duties include researching various municipal finance topics and writing articles for Division publications such as *City & Town*. Preferred qualifications include a master's degree in public administration, finance or related field with at least two years of government finance experience. Strong analytical, interpersonal and communication skills (written and oral) are required.

Program Coordinator II — The Bureau of Local Assessment is seeking an experienced property tax appraiser to administer state mandated valuation programs. Responsibilities will include the valuation of state owned land, commercial and industrial equalized valuation, centrally assessed utilities, farmland valuations, review of locally assessed utility valuation, etc. Applicants should have bachelor's degree, three years appraisal experience, a recognized appraisal designation and knowledge of mass appraisal valuation systems. Additionally, this position requires sophisticated statistical, analytical and writing abilities as well as strong computer, interpersonal and communication skills. This position will manage staff appraisers during projects and participate in training local officials. Travel may be required periodically.

Send cover letters and resumes to Diane Shepard, Division of Local Services, PO Box 9655, Boston, MA 02114-9655 or fax to (617) 626-2330. ■

City & Town

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Mitchell Adams, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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Education Reform and Accountability

written by Dieter Wahl

The Education Reform Act of 1993 had three major goals: to achieve an adequate funding level for all regional and local school districts over a seven-year period; to bring equity to local school spending efforts based on a community's ability to pay; and to improve student achievement. The financial components of the Act came about in part as a result of the *McDuffy*[1] case which alleged that the existing combination of state and local funding did not provide equal educational opportunities at the local level, particularly in poorer communities. The Education Reform Act sought to remedy this inequity by providing adequate state funding for all local and regional school districts and by mandating equity in local efforts based on a community's ability to pay. The legislature recognized that meeting the foundation targets in every school district would require a significant increase in state aid and appropriated a cumulative total of approximately $4 billion in additional aid for education from FY93 through FY99.

The Foundation Budget embodies the primary financial goals by establishing a target budget for every school district. The budget defines an adequate spending level based on a complicated formula heavily weighted towards student enrollment. The state Department of Education (DOE) issues individual spending requirements to all municipalities and regional school districts each year to ensure gradual but steady progress towards meeting the Fiscal Year 2000 goals. These goals are modest for school districts that are already near the foundation target and more aggressive for those that are not.

Annual financial spending targets consisting of both state aid and local contributions are expressed as "required net school spending" for each school district. The Education Reform Act made allowances for a community's ability to pay by basing the formula for their share on a community's equalized property values, and, therefore, its ability to raise taxes. Generally, communities with lower property values receive more state aid. As a result of education reform funding, the annual school budgets in some communities have increased by 30 percent or more, in some cases doubling their school budgets over a three-year period.

The Education Reform Act also included major non-financial initiatives designed to improve school management and curriculum content. Superintendents received additional management authority over school principals including the power to hire and fire, negotiate individual contracts, and set salaries and performance standards. Education Reform changed the role of school committees to increase oversight and policy development, while maintaining budget approval and the authority to hire and fire superintendents and assistant superintendents. The law encourages parent participation in the schools by requiring each school to create a school council to advise and assist the principal and participate in the development of school improvement plans. Most significantly, the Education Reform Act gave the local school committees the authority to decide how the additional school funds should be spent based on their needs and priorities.

In the FY99 budget, Chapter 70 state aid for education reached $2.5 billion largely as a result of education reform. The Massachusetts Taxpayers Foundation, in its 1996 report on education spending, stated that "high levels of school spending are no assurance that the goals of education reform will be achieved, but low levels of spending make success virtually impossible with little ability to hold administrators responsible for results." Recognizing that high levels of spending require an effective mechanism for monitoring progress and for holding educators accountable, the governor issued Executive Order 393 on February 20, 1997.

Executive Order 393 established the Education Management Accountability Board. The mission of the Board is "... to review, investigate and report on the expenditure of funds by school districts consistent with the goals of improving student achievement." The Secretary of Administration and Finance (A&F) serves as the chief of staff for the Board. The Secretary requested staff from the Department of Revenue and DOE to help fulfill the purpose of the Board and assemble an education reform audit team.

Education Reform Audits

The Education Management Accountability Board (EMAB) determines which school districts will be audited. The education reform audit team provides

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LEGAL

in Our Opinion

Residential Exemption

Last summer the Supreme Judicial Court rendered an important decision concerning the eligibility of tenant-shareholders of a housing cooperative corporation to receive a residential exemption. The case is *Born v. Assessors of Cambridge*.[1]

The General Laws permit an exemption of up to 20 percent of the average assessed value of all residential parcels within the community. The selectmen or the mayor, with the approval of the city council, decide whether to adopt this exemption, commonly known as the residential exemption.[2] The statute states "such an exemption shall be applied only to the principal residence of a taxpayer as used by the taxpayer for income tax purposes."

In the *Born* case, the Longview Corporation owned a six-story cooperative apartment building with 54 apartments located in Cambridge. A tenant-shareholder could occupy a specific apartment under a long-term lease. There were 54 shareholders who owned varying numbers of shares in the corporation depending on the size and location of their apartments. Each paid a pro rata share of the monthly upkeep and maintenance of the building, including real estate taxes, through monthly charges. For fiscal years 1991 and 1993 respectively, the majority of the shareholders occupied apartments as principal residences. The president of the corporation filed for residential exemptions on behalf of these shareholders for FY91 and 93. The Cambridge assessors denied the exemption. On appeal, the case initially came before the Appellate Tax Board (ATB). When the ATB held that the shareholders were properly denied residential exemptions, the shareholders appealed to the Supreme Judicial Court (SJC).

The SJC wrote that eligibility for a residential exemption depended on whether the shareholders were taxpayers within the meaning in MGL Ch. 59 Sec. 5C. Since the statute does not define the term "taxpayer," the Court looked to prior court decisions. The Court relied on a ruling in *Moscatiello v. Assessors of Boston*[3] that even if he had paid the taxes and occupied the property as a principal residence, Moscatiello could not receive a residential exemption because he did not hold legal title to the property. The SJC, therefore, agreed with the Appellate Tax Board that the tenant-shareholders were not "taxpayers" since that term refers to the person to whom the taxes were assessed (the owner of record). Property owned by a housing cooperative has a single deed and constitutes a single parcel of real estate for assessment purposes. The Court ruled that since Longview Corporation holds legal title to the property, the tenant-shareholders were not record owners and they could not receive residential exemptions.

The shareholders unsuccessfully argued that *Moscatiello* did not apply to housing cooperatives. The Appellants cited a March 1997 decision of the SJC which found that cooperative apartments were sufficiently similar to condominium units to also be exempt from installing automatic sprinklers in each unit of the building, *1010 Memorial Drive Tenants Corporation v. Fire Chief of Cambridge*.[4] In *1010 Memorial Drive*, the Court had concluded that the physical characteristics of housing cooperatives were similar enough to those of condominiums that the condominium exemption should be read to include cooperative apartments. However, the condominium exclusion had no relationship to the legal ownership of the building. In *Born*, the Court ruled that the form of ownership is critical in establishing exemption from taxation.

In the Court's view, there are different tax consequences depending on the forms of legal ownership. Since the parties became shareholders in a cooperative voluntarily, they must accept the tax consequences of this decision.

In conclusion, the Court held that the Cambridge assessors properly denied residential exemptions to the cooperative shareholders. ■

written by James Crowley

1. 427 Mass. 790 (1998).
2. M.G.L. Chapter 59 § 5C.
3. 36 Mass. App. 622 (1994).
4. 424 Mass. 661 (1997).

Education Reform

➡ *continued from page one*

audit and investigative support to the Board. The scope of review is limited to requirements under Executive Order 393 plus any additional requirements of the EMAB. The audits are performance reviews geared to answer the question: "What initiatives has the school district undertaken to implement education reform and improve student achievement since the Education Reform Act was passed in 1993?"

Once the Board choses a school district, the Deputy Commissioner of Local Services contacts local officials to inform them that an audit of their district is scheduled. The audit team then holds an entrance conference with the superintendent of schools. Auditors are on-site six to eight weeks collecting, reviewing and verifying data, and conducting interviews with the superintendent, central office managers, department heads, principals and other staff. The auditors analyze school district spending to determine whether the spending effectively supports educational programs and the goals of the Education Reform Act. They determine whether the superintendent has utilized

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Focus on Municipal Finance

Average Single Family Tax Bills in FY98

The percentage increase in the statewide average single family tax bill was greater than inflation in FY98. The Consumer Price Index went up 2.1 percent while the average single family tax bill went up 4.4 percent to $2,463 between FY97 and FY98. Tax bills went down in 24 communities, stayed the same in two communities and went up in the other 314 communities included in this study.[1] In 277 communities the average tax bill went up faster than the cost of living. The average assessed value of single family homes statewide went up 3.7 percent to $165,050, and the average single family tax rate went up 0.6 percent to $14.92 per $1,000.

Statewide Trends

Statewide average single family tax bills have increased every year during the last 10 years both in actual dollars and in dollars adjusted for inflation. *Figure 1* shows the average in actual dollars and in constant FY98 dollars. Constant dollars were calculated using the Consumer Price Index for All Urban Consumers, Boston. Over the 10-year period, bills increased 58.1 percent in actual dollars with the largest percentage increases in FY90 (9.8 percent) and FY91 (7.0 percent). The lowest increases were in FY92 (3.6 percent) and FY97 (3.9 percent). Over the same 10-year period, there was a 19.1 percent increase in constant dollars, reflecting inflation of 32.7 percent.

Statewide assessed values for single family homes have not paralleled tax rates. Assessed values actually decreased in FY92, FY93 and FY94. The rate of increase exceeded the inflation rate in only two years, FY90 and FY98. In constant dollars average assessed value was actually 25 percent lower in FY98 than it was in FY90. *Table 2* shows average assessed value and average tax bills for single family parcels in both actual and constant FY98 dollars for FY89 through FY98. It also shows tax rates.

If assessed values go down but community spending does not, tax rates go up. *Table 2* shows that tax rates increased in 8 of the last 10 years. The statewide average tax rate for single family parcels rose 46.4 percent between FY89 and FY98, from 10.19 to 14.92.

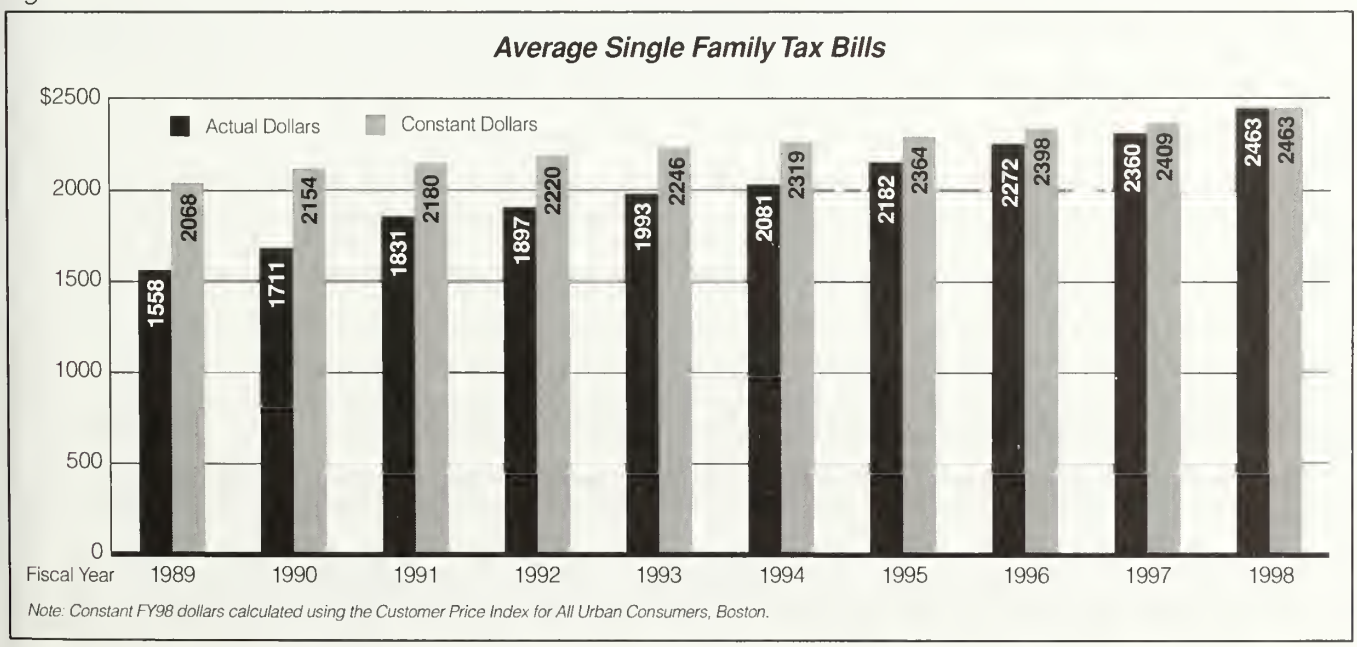
Community Trends

Table 1 shows the FY97 and FY98 average single family assessed value and tax bill for all 340 cities and towns which do not have a residential exemption. It also ranks communities from high to low for the FY98 average value and bill, and shows the percent change between FY97 and FY98 for each. Finally, it lists FY98 tax rates.

For the most part, communities with higher assessed values have higher average tax bills. The six communities with the highest average bills are We-

continued on page six ➡

Figure 1



Note: Constant FY98 dollars calculated using the Customer Price Index for All Urban Consumers, Boston.

FY1998 Average Single Family Tax Bills

Municipality	FY97 Avg. Value	FY98 Avg. Value	FY98 Hi-Lo Rank	% Change 97–98	FY97 Avg. Tax Bill	FY98 Avg. Tax Bill	FY98 Hi-Lo Rank	% Change 97–98	FY98 Tax Rate
Abington	133,754	151,020	144	12.9	2,474	2,564	104	3.6	16.98
Acton	238,990	262,609	33	9.9	4,546	4,808	15	5.8	18.31
Acushnet	119,483	113,949	259	-4.6	1,575	1,614	275	2.5	14.16
Adams	86,730	86,760	330	0.0	1,471	1,495	300	1.6	17.23
Agawam	117,224	117,763	244	0.5	1,862	1,857	221	-0.3	15.77
Alford	242,779	245,176	38	1.0	1,806	1,824	228	1.0	7.44
Amesbury	136,150	150,328	148	10.4	2,547	2,813	80	10.4	18.71
Amherst	162,522	163,658	119	0.7	2,981	3,142	56	5.4	19.20
Andover	260,568	263,091	31	1.0	4,034	4,162	22	3.2	15.82
Aquinnah	348,158	350,646	12	0.7	2,214	2,286	138	3.3	6.52
Arlington	192,395	204,191	61	6.1	3,286	3,416	44	4.0	16.73
Ashburnham	102,122	102,754	292	0.6	1,680	1,787	236	6.4	17.39
Ashby	109,572	110,076	272	0.5	2,045	2,042	187	-0.1	18.55
Ashfield	124,025	125,208	223	1.0	1,974	2,072	180	5.0	16.55
Ashland	173,737	175,667	98	1.1	2,978	3,146	55	5.6	17.91
Athol	71,197	74,885	336	5.2	1,025	1,073	329	4.7	14.33
Attleboro	119,446	121,446	234	1.7	1,770	1,858	220	5.0	15.30
Auburn	111,256	114,992	253	3.4	1,503	1,534	291	2.1	13.34
Avon	125,575	125,995	218	0.3	1,489	1,541	289	3.5	12.23
Ayer	124,539	126,692	215	1.7	1,227	1,287	316	4.9	10.16
Barnstable	170,441	179,416	90	5.3	2,061	2,110	172	2.4	11.76
Barre	102,118	96,319	308	-5.7	1,520	1,780	239	17.1	18.48
Becket	93,889	97,364	305	3.7	963	1,022	331	6.1	10.50
Bedford	240,167	244,284	40	1.7	3,273	3,310	51	1.1	13.55
Belchertown	125,162	125,523	219	0.3	2,148	2,204	152	2.6	17.56
Bellingham	117,690	130,748	206	11.1	1,868	1,970	201	5.5	15.07
Belmont	348,439	355,352	10	2.0	4,927	5,014	11	1.8	14.11
Berkley	130,597	139,092	189	6.5	1,580	1,648	269	4.3	11.85
Berlin	167,543	171,736	104	2.5	2,649	2,732	90	3.1	15.91
Bernardston	114,503	110,785	269	-3.2	1,734	1,819	230	4.9	16.42
Beverly	183,261	184,885	83	0.9	2,930	3,030	60	3.4	16.39
Billerica	142,457	144,058	170	1.1	2,191	2,226	148	1.6	15.45
Blackstone	119,083	126,556	216	6.3	1,824	1,869	219	2.5	14.77
Blandford	119,210	122,060	231	2.4	1,326	1,606	276	21.1	13.16
Bolton	235,955	241,492	42	2.3	3,931	4,103	23	4.4	16.99
Boston									
Bourne	151,793	153,034	137	0.8	1,902	1,963	202	3.2	12.83
Boxborough	270,829	272,646	25	0.7	4,604	5,044	10	9.6	18.50
Boxford	292,320	298,323	19	2.1	4,005	4,266	18	6.5	14.30
Boylston	166,777	167,849	109	0.6	2,548	2,803	82	10.0	16.70
Braintree	159,235	159,656	127	0.3	1,960	2,055	184	4.8	12.87
Brewster	149,505	155,012	135	3.7	1,959	1,990	197	1.6	12.84
Bridgewater	154,278	155,851	132	1.0	2,289	2,313	132	1.0	14.84
Brimfield	113,047	113,825	260	0.7	1,666	1,678	264	0.7	14.74
Brockton	85,785	89,160	323	3.9	1,759	1,856	222	5.5	20.82
Brookfield	100,306	103,037	290	2.7	1,703	1,768	244	3.8	17.16
Brookline									
Buckland	100,759	99,604	298	-1.1	1,745	1,779	241	1.9	17.86
Burlington	175,335	176,177	97	0.5	2,034	2,026	192	-0.4	11.50
Cambridge									
Canton	195,523	219,463	50	12.2	2,655	2,884	74	8.6	13.14
Carlisle	337,493	374,146	9	10.9	5,467	5,721	4	4.6	15.29
Carver	115,913	116,394	248	0.4	2,117	2,191	159	3.5	18.82
Charlemont	91,348	92,222	318	1.0	1,904	1,963	203	3.1	21.29
Charlton	118,865	120,485	235	1.4	1,388	1,454	307	4.8	12.07
Chatham	225,521	248,106	37	10.0	2,012	2,389	120	18.7	9.63
Chelmsford	158,013	166,860	110	5.6	3,061	3,167	54	3.5	18.98
Chelsea									
Cheshire	104,602	106,153	283	1.5	1,196	1,233	321	3.1	11.62
Chester	95,949	95,822	309	-0.1	1,445	1,526	293	5.6	15.93
Chesterfield	104,219	107,762	278	3.4	1,996	2,142	166	7.3	19.88
Chicopee	98,032	98,154	303	0.1	1,499	1,549	287	3.3	15.78
Chilmark	576,068	572,622	1	-0.6	1,671	1,884	218	12.7	3.29
Clarksburg	82,023	88,995	324	8.5	1,196	1,236	319	3.3	13.89
Clinton	112,331	112,389	266	0.1	1,646	1,754	247	6.6	15.61
Cohasset	308,156	322,305	15	4.6	4,638	4,851	12	4.6	15.05
Colrain	97,928	95,809	310	-2.2	1,591	1,773	243	11.4	18.51
Concord	394,005	396,924	8	0.7	5,067	5,263	9	3.9	13.26
Conway	142,742	144,257	169	1.1	2,541	2,683	95	5.6	18.60
Cummington	113,697	114,242	256	0.5	1,587	1,566	284	-1.3	13.71
Dalton	113,295	116,610	247	2.9	1,876	2,031	191	8.3	17.42
Danvers	171,046	185,847	82	8.7	2,680	2,840	77	6.0	15.28
Dartmouth	150,137	151,051	143	0.6	1,761	1,829	226	3.9	12.11
Dedham	166,979	181,472	87	8.7	2,465	2,535	107	2.8	13.97
Deerfield	133,507	133,990	199	0.4	1,836	1,923	210	4.7	14.35
Dennis	131,051	132,424	202	1.0	1,118	1,241	318	11.0	9.37
Dighton	122,503	138,920	190	13.4	1,882	1,918	212	1.9	13.81
Douglas	117,622	118,632	240	0.9	1,884	2,035	189	8.0	17.15
Dover	451,603	455,923	6	1.0	4,222	5,480	6	29.8	12.02
Dracut	123,698	124,629	225	0.8	2,005	2,181	161	8.8	17.50
Dudley	107,062	107,155	282	0.1	1,172	1,193	324	1.8	11.13
Dunstable	183,851	186,616	80	1.5	2,817	2,978	64	5.7	15.96
Duxbury	250,637	253,522	36	1.2	4,085	4,208	20	3.0	16.60
E. Bridgewater	137,214	144,824	166	5.5	2,256	2,458	115	9.0	16.97
E. Brookfield	113,442	114,310	255	0.8	976	1,044	330	7.0	9.13
E. Longmeadow	136,964	138,108	192	0.8	2,452	2,613	101	6.6	18.92
Eastham	143,394	144,511	167	0.8	1,659	1,682	261	1.4	11.64
Easthampton	107,973	109,572	275	1.5	1,633	1,689	259	3.4	15.41
Easton	165,181	186,417	81	12.9	2,920	3,173	53	8.7	17.02
Edgartown	248,244	269,440	26	8.5	2,006	2,333	127	16.3	8.66
Egremont	183,008	184,423	84	0.8	1,753	1,903	214	8.6	10.32
Erving	87,823	88,332	326	0.6	961	993	333	3.3	11.24
Essex	189,731	202,477	62	6.7	2,607	2,740	89	5.1	13.53
Everett	114,205	114,134	258	-0.1	1,417	1,421	310	0.3	12.45
Fairhaven	114,779	114,911	254	0.1	1,524	1,579	281	3.6	13.74
Fall River	111,183	119,197	238	7.2	1,160	1,204	323	3.8	10.10
Falmouth	167,463	168,769	108	0.8	1,872	1,983	199	5.9	11.75
Fitchburg	95,246	93,430	317	-1.9	1,513	1,586	279	4.8	16.98
Florida	60,586	61,579	339	1.6	816	813	334	-0.4	13.21
Foxborough	172,468	179,403	91	4.0	2,672	2,768	87	3.6	15.43
Framingham	169,413	170,129	106	0.4	2,922	3,003	62	2.8	17.65
Franklin	179,493	191,268	73	6.6	2,551	2,639	98	3.4	13.80
Freetown	130,778	136,597	195	4.4	1,703	1,922	211	12.9	14.07
Gardner	88,128	88,712	325	0.7	1,521	1,623	273	6.7	18.30
Georgetown	175,637	187,699	77	6.9	2,615	2,814	79	7.6	14.99
Gill	103,185	103,828	289	0.6	1,434	1,479	302	3.1	14.24
Gloucester	165,945	166,659	112	0.4	2,804	2,797	84	-0.2	16.78
Goshen	108,198	108,788	277	0.5	1,723	1,784	237	3.5	16.40
Gosnold	305,449	309,909	18	1.5	761	775	335	1.8	2.50
Grafton	143,651	155,620	134	8.3	2,198	2,386	121	8.6	15.33
Granby	127,717	125,037	224	-2.1	1,843	1,924	208	4.4	15.39
Granville	124,231	129,036	209	3.9	1,814	1,986	198	9.5	15.39
Grt. Barrington	142,362	147,679	154	3.7	2,269	2,386	122	5.2	16.16
Greenfield	98,004	98,574	302	0.6	1,933	2,021	193	4.6	20.50
Groton	177,984	180,934	88	1.7	3,147	3,297	52	4.8	18.22
Groveland	146,264	170,308	105	16.4	2,413	2,553	106	5.8	14.99
Hadley	133,064	134,936	197	1.4	1,738	1,796	235	3.3	13.31
Halifax	128,274	131,629	205	2.6	2,117	2,172	165	2.6	16.50
Hamilton	222,476	227,068	46	2.1	3,371	3,635	35	7.8	16.01
Hampden	140,895	142,164	177	0.9	2,474	2,491	110	0.7	17.52
Hancock	117,653	118,261	242	0.5	706	745	336	5.5	6.30
Hanover	192,188	197,230	65	2.6	2,981	3,418	43	14.7	17.33
Hanson	138,220	143,947	171	4.1	2,239	2,309	133	3.1	16.04
Hardwick	114,985	113,414	263	-1.4	1,773	1,812	233	2.2	15.98
Harvard	261,621	263,014	32	0.5	3,718	3,819	31	2.7	14.52
Harwich	158,011	165,243	115	4.6	1,865	1,933	207	3.6	11.70
Hatfield	142,784	146,581	159	2.7	1,649	1,778	242	7.8	12.13
Haverhill	114,769	115,732	249	0.8	2,029	2,131	167	5.0	18.41
Hawley	105,360	104,959	286	-0.4	1,580	1,574	282	-0.4	15.00
Heath	85,859	87,114	329	1.5	1,616	1,719	252	6.4	19.73
Hingham	250,671	256,700	35	2.4	3,938	4,030	26	2.3	15.70
Hinsdale	98,779	99,242	300	0.5	1,317	1,498	299	13.7	15.09
Holbrook	109,165	113,548	262	4.0	2,103	2,288	137	8.8	20.15
Holden	136,334	139,892	184	2.6	2,277	2,317	131	1.8	16.56
Holland	101,704	102,280	293	0.6	1,609	1,692	258	5.2	16.54
Holliston	184,753	194,427	68	5.2	3,189	3,321	47	4.1	17.08
Holyoke	94,256	94,523	312	0.3	1,654	1,653	265	-0.1	17.49
Hopedale	140,292	144,430	168	2.9	2,567	2,637	99	2.7	18.26
Hopkinton	218,634	240,068	43	9.8	3,172	3,450	42	8.8	14.37
Hubbardston	109,580	109,647	273	0.1	1,612	1,706	256	5.8	15.56
Hudson	136,862	152,978	138	11.8	2,258	2,252	144	-0.3	14.72
Hull	120,143	128,169	212	6.7	2,369	2,511	108	6.0	19.59
Huntington	97,284	98,073	304	0.8	1,478	1,539	290	4.1	15.69
Ipswich	186,707	206,661	60	10.7	2,642	2,825	78	6.9	13.67
Kingston	138,408	146,929	157	6.2	2,228	2,307	135	3.5	15.70
Lakeville	138,367	139,823	185	1.1	1,685	1,758	246	4.3	12.57
Lancaster	140,760	142,982	173	1.6	1,890	1,996	196	5.6	13.96
Lanesborough	109,087	110,745	270	1.5	1,737	1,821	229	4.8	16.44
Lawrence	78,793	78,836	334	0.1	1,523	1,547	288	1.6	19.62
Lee	113,745	114,233	257	0.4	1,738	1,702	257	-2.1	14.90
Leicester	100,515	101,237	296	0.7	1,584	1,635	271	3.2	16.15
Lenox	155,745	159,481	129	2.4	2,149	2,249	146	4.7	14.10
Leominster	109,654	110,499	271	0.8	1,904	1,918	213	0.7	17.36
Leverett	145,316	145,800	162	0.3	2,890	2,979	63	3.1	20.43
Lexington	318,210	338,146	13	6.3	4,417	4,541	17	2.8	13.43
Leyden	134,431	137,298	193	2.1	2,451	2,491	111	1.6	18.14
Lincoln	504,134	549,023	3	8.9	6,317	6,627	2	4.9	12.07
Littleton	162,227	183,316	86	13.0	2,527	2,636	100	4.3	14.38
Longmeadow	195,973	196,446	66	0.2	3,629	3,870	30	6.6	19.70
Lowell	98,472	102,988	291	4.6	1,890	1,975	200	4.5	19.18
Ludlow	113,838	114,993	252	1.0	1,821	1,886	217	3.6	16.40
Lunenburg	126,113	129,776	207	2.9	2,328	2,357	124	1.2	18.16
Lynn	98,418	98,712	301	0.3	1,748	1,958	204	12.0	19.84
Lynnfield	241,841	242,571	41	0.3	3,347	3,459	41	3.3	14.26
Malden	127,263	129,469	208	1.7	2,067	2,121	170	2.6	16.38
Manchester	401,521	461,206	5	14.9	4,790	5,290	7	10.4	11.47
Mansfield	160,813	163,883	118	1.9	2,679	2,789	85	4 1	17.02
Marblehead	280,736	296,430	20	5.6	3,419	3,557	38	4.0	12.00
Marion	228,846	226,619	47	-1.0	2,732	2,808	81	2.8	12.39
Marlborough									
Marshfield	158,948	160,907	125	1.2	2,408	2,462	114	2.2	15.30
Mashpee	144,602	148,141	150	2.4	2,061	2,126	169	3.2	14.35
Mattapoisett	175,724	173,954	100	-1.0	2,490	2,573	103	3.3	14.79
Maynard	143,887	151,661	141	5.4	2,717	2,715	92	-0.1	17.90
Medfield	255,426	281,414	23	10.2	4,094	4,249	19	3.8	15.10
Medford	158,897	165,535	114	4.2	2,460	2,498	109	1.5	15.09
Medway	165,171	166,844	111	1.0	2,966	3,135	57	5.7	18.79
Melrose	178,953	183,818	85	2.7	2,924	3,035	58	3.8	16.51
Mendon	153,320	155,724	133	1.6	2,188	2,448	117	11.9	15.72
Merrimac	146,312	157,289	131	7.5	2,451	2,394	119	-2.3	15.22

Municipality	FY97 Avg. Value	FY98 Avg. Value	FY98 Hi-Lo Rank	% Change 97–98	FY97 Avg. Tax Bill	FY98 Avg. Tax Bill	FY98 Hi-Lo Rank	% Change 97–98	FY98 Tax Rate
Methuen	122,327	123,615	228	1.1	2,058	2,085	175	1.3	16.87
Middleborough	118,697	123,729	227	4.2	1,848	2,063	182	11.6	16.67
Middlefield	94,596	96,704	306	2.2	1,552	1,651	267	6.4	17.07
Middleton	184,678	190,925	74	3.4	2,582	2,898	71	12.2	15.18
Milford	136,386	142,403	176	4 4	2,267	2,320	130	2.3	16.29
Millbury	110,254	110,894	268	0.6	1,573	1,619	274	2.9	14.60
Millis	161,303	160,910	124	-0.2	2,855	2,945	68	3.2	18.30
Millville	122,005	123,324	230	1.1	2,123	2,018	194	-4.9	16.36
Milton	209,558	209,520	57	0.0	3,634	3,744	33	3.0	17.87
Monroe	55,984	57,491	340	2.7	698	707	337	1.3	12.30
Monson	118,003	118,410	241	0.3	1,804	1,851	223	2.6	15.63
Montague	97,254	94,354	315	-3.0	1,435	1,502	297	4.7	15.92
Monterey	177,685	179,590	89	1.1	1,549	1,566	285	1.1	8.72
Montgomery	128,519	137,262	194	6.8	1,815	1,893	215	4.3	13.79
Mt. Washington	176,613	174,456	99	-1.2	1,016	1,015	332	-0.1	5.82
Nahant	222,902	223,412	49	0.2	2,956	3,032	59	2.6	13.57
Nantucket									
Natick	180,579	207,224	59	14.8	2,871	3,011	61	4.9	14.53
Needham	280,069	283,306	22	1.2	3,618	3,754	32	3.8	13.25
New Ashford	101,135	99,517	299	-1.6	777	646	339	-16.9	6.49
New 8edford	99,264	94,381	314	-4.9	1,440	1,440	308	0.0	15.26
New 8raintree	124,020	125,216	221	1.0	1,972	2,079	178	5.4	16.60
New Marlboro	161,206	147,930	152	-8.2	1,598	1,683	260	5.3	11.38
New Salem	109,864	112,477	265	2.4	1,483	1,518	294	2.4	13.50
Newbury	175,555	187,474	79	6.8	2,345	2,484	112	5.9	13.25
Newburyport	157,430	158,112	130	0.4	2,681	2,781	86	3.7	17.59
Newton	335,126	352,517	11	5.2	4,641	4,847	13	4.4	13.75
Norfolk	202,473	211,711	55	4.6	3,199	3,381	45	5.7	15.97
N. Adams	77,372	74,032	337	-4.3	1,131	1,140	327	0.8	15.40
N. Andover	217,788	244,766	39	12.4	3,021	3,329	46	10.2	13.60
N. Attleboro	139,931	141,245	180	0.9	2,103	2,177	163	3.5	15.41
N. 8rookfield	105,569	104,293	288	-1.2	1,320	1,354	313	2.6	12.98
N. Reading	193,438	195,358	67	1.0	3,209	3,319	48	3.4	16.99
Northampton	130,642	141,689	179	8.5	1,995	2,066	181	3.6	14.58
Northborough	179,807	191,691	71	6.6	2,931	2,952	66	0.7	15.40
Northbridge	117,539	120,290	236	2.3	1,683	1,783	238	5.9	14.82
Northfield	100,280	101,857	294	1.6	1,564	1,650	268	5.5	16.20
Norton	136,978	138,734	191	1.3	2,163	2,217	150	2.5	15.98
Norwell	260,896	264,808	30	1.5	3,796	4,200	21	10.6	15.86
Norwood	169,851	169,945	107	0.1	2,167	2,252	145	3.9	13.25
Oak 8luffs	161,699	162,811	121	0.7	1,989	2,055	185	3.3	12.62
Oakham	132,144	132,101	203	0.0	1,623	1,635	272	0.7	12.38
Orange	72,863	72,829	338	0.0	1,408	1,464	305	4.0	20.10
Orleans	225,316	228,313	45	1.3	2,210	2,180	162	-1.4	9.55
Otis	145,722	139,299	188	-4.4	1,090	1,190	325	9.2	8.54
Oxford	104,339	104,972	285	0.6	1,669	1,680	262	0.7	16.00
Palmer	100,425	100,925	297	0.5	1,683	1,740	249	3.4	17.24
Paxton	151,056	148,007	151	-2.0	2,432	2,558	105	5.2	17.28
Peabody	153,361	176,327	96	15.0	1,580	1,716	255	8.6	9.73
Pelham	149,404	150,343	147	0.6	2,748	2,920	70	6.3	19.42
Pembroke	149,609	151,250	142	1.1	2,235	2,322	129	3.9	15.35
Pepperell	146,310	147,828	153	1.0	2,183	2,309	134	5.8	15.62
Peru	77,453	79,056	333	2.1	1,417	1,464	306	3.3	18.52
Petersham	143,067	139,445	186	-2.5	1,632	1,648	270	1.0	11.82
Phillipston	93,017	87,479	327	-6.0	1,064	1,274	317	19.7	14.56
Pittsfield	91,505	91,843	319	0.4	1,560	1,594	278	2.2	17.36
Plainfield	111,579	111,581	267	0.0	1,627	1,580	280	-2.9	14.16
Plainville	149,360	150,513	146	0.8	2,184	2,285	139	4.6	15.18
Plymouth	107,793	109,587	274	1.7	2,176	2,227	147	2.3	20.32
Plympton	151,791	153,268	136	1.0	2,667	2,768	88	3.8	18.06
Princeton	175,334	177,838	93	1.4	2,868	2,890	73	0.8	16.25
Provincetown	178,362	191,960	70	7.6	2,033	2,223	149	9.3	11.58
Quincy	141,103	143,724	172	1.9	2,105	2,199	154	4.5	15.30
Randolph	126,357	126,497	217	0.1	2,019	2,085	176	3.3	16.48
Raynham	140,091	159,513	128	13.9	1,866	2,058	183	10.3	12.90
Reading	203,182	215,266	52	5.9	3,377	3,472	40	2.8	16.13
Rehoboth	163,421	165,997	113	1.6	2,059	2,194	156	6.6	13.22
Revere	107,293	107,336	280	0.0	1,922	2,081	177	8.3	19.39
Richmond	163,325	164,595	117	0.8	2,322	2,449	116	5.5	14.88
Rochester	142,902	146,252	160	2.3	1,993	2,077	179	4.2	14.20
Rockland	131,033	131,903	204	0.7	2,129	2,295	136	7.8	17.40
Rockport	204,537	214,372	54	4.8	2,937	3,314	50	12.8	15.46
Rowe	107,180	107,556	279	0.4	572	575	340	0.5	5.35
Rowley	172,166	172,910	101	0.4	2,524	2,642	96	4.7	15.28
Royalston	92,870	94,571	311	1.8	909	1,088	328	19.7	11.50
Russell	107,513	109,449	276	1.8	1,562	1,679	263	7.5	15.34
Rutland	118,182	119,472	237	1.1	1,749	1,846	225	5.5	15.45
Salem	140,851	144,860	165	2.8	2,145	2,205	151	2.8	15.22
Salisbury	125,496	127,016	213	1.2	1,613	1,768	245	9.6	13.92
Sandisfield	150,471	150,098	149	-0.2	1,324	1,438	309	8.6	9.58
Sandwich	142,803	145,885	161	2.2	2,256	2,331	128	3.3	15.98
Saugus	157,266	161,129	123	2.5	1,879	1,942	206	3.4	12.05
Savoy	87,073	87,227	328	0.2	1,187	1,235	320	4.0	14.16
Scituate	192,944	194,217	69	0.7	2,856	2,950	67	3.3	15.19
Seekonk	146,407	147,141	156	0.5	1,922	2,089	174	8.7	14.20
Sharon	190,323	210,916	56	10.8	3,692	4,012	27	8.7	19.02
Sheffield	142,064	142,103	178	0.0	2,050	2,194	157	7.0	15.44
Shelburne	116,826	117,242	245	0.4	1,645	1,719	253	4.5	14.66
Sherborn	401,333	405,886	7	1.1	6,100	6,348	3	4.1	15.64
Shirley	126,230	128,413	211	1.7	1,753	1,848	224	5.4	14.39
Shrewsbury	155,810	165,106	116	6.0	2,247	2,199	155	-2.1	13.32
Shutesbury	131,444	132,999	200	1.2	2,668	2,841	76	6.5	21.36
Somerset									
Somerville									
S. Hadley	128,718	128,753	210	0.0	1,962	2,032	190	3.6	15.78
Southampton	139,049	140,553	183	1.1	1,973	2,039	188	3.3	14.51
Southborough	244,406	268,735	27	10.0	3,251	3,520	39	8.3	13.10
Southbridge	93,391	94,061	316	0.7	1,541	1,484	301	-3.7	15.78
Southwick	117,438	121,934	232	3.8	1,771	1,814	232	2.4	14.88
Spencer	103,911	107,224	281	3.2	1,149	1,224	322	6.5	11.42
Springfield	75,505	75,628	335	0.2	1,539	1,558	286	1.2	20.60
Sterling	148,656	152,074	140	2.3	2,378	2,350	125	-1.2	15.45
Stockbridge	197,457	198,361	64	0.5	2,065	1,924	209	-6.8	9.70
Stoneham	176,429	177,999	92	0.9	2,895	2,974	65	2.7	16.71
Stoughton	137,989	139,329	187	1.0	2,329	2,422	118	4.0	17.38
Stow	209,865	216,309	51	3.1	3,872	4,051	25	4.6	18.73
Sturbridge	123,618	125,213	222	1.3	2,126	2,261	142	6.3	18.06
Sudbury	306,743	330,584	14	7.8	4,920	5,279	8	7.3	15.97
Sunderland	130,813	132,467	201	1.3	2,028	2,263	141	11.6	17.08
Sutton	133,348	135,407	196	1.5	2,050	2,120	171	3.4	15.66
Swampscott	225,247	226,480	48	0.5	3,958	4,074	24	2.9	17.99
Swansea	126,148	126,942	214	0.6	1,553	1,602	277	3.2	12.62
Taunton	109,204	117,166	246	7.3	1,409	1,474	303	4.6	12.58
Templeton	94,649	96,653	307	2.1	916	1,148	326	25.3	11.88
Tewksbury	151,057	162,965	120	7.9	2,178	2,278	140	4.6	13.98
Tisbury									
Tolland	139,782	140,703	182	0.7	654	658	338	0.6	4.68
Topsfield	249,021	265,241	29	6.5	3,506	3,623	37	3.3	13.66
Townsend	120,846	123,605	229	2.3	2,204	2,204	153	0.0	17.83
Truro	233,191	233,418	44	0.1	1,679	1,816	231	8.2	7.78
Tyngsborough	138,996	150,992	145	8.6	2,730	2,938	69	7.6	19.46
Tyringham	200,767	201,039	63	0.1	1,831	1,829	227	-0.1	9.10
Upton	174,630	177,449	94	1.6	2,050	2,193	158	7.0	12.36
Uxbridge	119,659	142,441	175	19.0	2,007	2,256	143	12.4	15.84
Wakefield	172,075	172,813	102	0.4	2,717	2,800	83	3.1	16.20
Wales	87,857	89,390	322	1.7	1,443	1,467	304	1.7	16.41
Walpole	187,396	188,200	76	0.4	2,800	2,878	75	2.8	15.29
Waltham									
Ware	101,006	101,339	295	0.3	1,613	1,719	254	6.6	16.96
Wareham	94,195	94,479	313	0.3	1,321	1,367	312	3.5	14.47
Warren	90,500	91,395	320	1.0	1,447	1,502	298	3.8	16.43
Warwick	87,642	84,641	331	-3.4	1,470	1,534	292	4.4	18.12
Washington	115,769	118,850	239	2.7	1,308	1,509	296	15.4	12.70
Watertown									
Wayland	313,927	315,754	17	0.6	5,324	5,668	5	6.5	17.95
Webster	112,394	113,309	264	0.8	1,293	1,343	314	3.9	11.85
Wellesley	453,699	469,674	4	3.5	4,555	4,711	16	3.4	10.03
Wellfleet	188,721	191,368	72	1.4	1,636	1,749	248	6.9	9.14
Wendell	80,806	80,587	332	-0.3	1,728	1,652	266	-4.4	20.50
Wenham	293,452	294,557	21	0.4	3,724	3,929	28	5.5	13.34
W. 8oylston	144,006	145,281	163	0.9	2,477	2,582	102	4.2	17.77
W. 8ridgewate	146,138	146,789	158	0.4	2,058	2,184	160	6.1	14.88
W. 8rookfield	112,472	113,743	261	1.1	1,487	1,570	283	5.6	13.80
W. Newbury	226,635	257,655	34	13.7	3,388	3,630	36	7.1	14.09
W. Springfiel	115,462	115,177	251	-0.2	1,974	2,049	186	3.8	17.79
W. Stockbridg	173,355	176,615	95	1.9	2,652	2,642	97	-0.4	14.96
W. Tisbury	264,044	268,113	28	1.5	2,704	2,708	93	0.1	10.10
Westborough	208,562	215,061	53	3.1	3,370	3,647	34	8.2	16.96
Westfield	120,331	121,911	233	1.3	1,880	1,958	205	4.1	16.06
Westford	205,277	208,775	58	1.7	3,059	3,315	49	8.4	15.88
Westhampton	133,797	141,073	181	5.4	2,293	2,384	123	4.0	16.90
Westminster	115,872	115,711	250	-0.1	1,709	1,802	234	5.4	15.57
Weston	546,205	553,564	2	1.3	7,068	7,401	1	4.7	13.37
Westport	172,660	172,812	103	0.1	1,723	1,725	250	0.1	9.98
Westwood	273,907	275,709	24	0.7	3,769	3,874	29	2.8	14.05
Weymouth	133,199	133,995	198	0.6	2,105	2,176	164	3.4	16.24
Whately	141,418	142,579	174	0.8	2,438	2,686	94	10.2	18.84
Whitman	117,526	118,174	243	0.6	2,256	2,349	126	4.1	19.88
Wilbraham	159,850	160,181	126	0.2	2,639	2,723	91	3.2	17.00
Williamsburg	129,103	145,230	164	12.5	1,924	1,998	195	3.8	13.76
Williamstown	185,684	187,559	78	1.0	2,377	2,468	113	3.8	13.16
Wilmington	154,104	161,532	122	4.8	2,031	2,129	168	4.8	13.18
Winchendon	90,108	91,136	321	1.1	1,291	1,413	311	9.5	15.50
Winchester	303,858	317,129	16	4.4	4,649	4,827	14	3.8	15.22
Windsor	105,270	105,384	284	0.1	1,274	1,340	315	5.2	12.72
Winthrop	147,159	147,222	155	0.0	2,025	2,098	173	3.6	14.25
Woburn	151,024	152,518	139	1.0	1,691	1,780	240	5.3	11.67
Worcester	97,729	104,655	287	7.1	1,825	1,890	216	3.6	18.06
Worthington	122,031	123,947	226	1.6	1,647	1,724	251	4.7	13.91
Wrentham	173,328	190,441	75	9.9	2,733	2,893	72	5.9	15.19
Yarmouth	120,940	125,294	220	3.6	1,451	1,516	295	4.5	12.10

Note: Communities with no data have residential exemptions. The Division of Local Services does not have sufficient information to compute the average single family tax bill. These communities have not been included in the analysis.

Table 1

Average Single Family Tax Bills in FY98
➡ *continued from page three*

Table 2. Statewide average single family tax rate, assessed value and tax bill. Assessed value and tax bill in both actual and constant dollars.

Fiscal Year	Average Single Family Tax Rate	Actual Dollars: Average Assessed Value	Actual Dollars: Average Tax Bill	Constant FY98 Dollars: Average Assessed Value	Constant FY98 Dollars: Average Tax Bill
FY89	10.19	152,954	1,558	202,990	2,068
FY90	9.79	174,817	1,711	220,064	2,154
FY91	10.41	175,917	1,831	209,437	2,180
FY92	11.68	162,451	1,897	190,100	2,220
FY93	12.89	154,589	1,993	174,231	2,246
FY94	13.59	153,133	2,081	170,679	2,319
FY95	14.21	153,571	2,182	166,401	2,364
FY96	14.59	156,159	2,272	164,824	2,398
FY97	14.83	159,117	2,360	162,438	2,409
FY98	14.92	165,050	2,463	165,050	2,463

Note: Constant FY98 dollars calculated using the Consumer Price Index for All Urban Consumers, Boston.

ston, $7,401; Lincoln, $6,627; Sherborn, $6,348; Carlisle, $5,721; Wayland, $5,668; and Dover, $5,480. These communities rank 2nd, 3rd, 7th, 9th, 17th and 6th in average value, respectively. The relationship between average value and tax bill does not pertain to Cape Cod and the islands, where there are a large number of seasonal properties whose residents have a lower demand for services. For example, the community with the highest average assessed value at $572,662 is Chilmark on Martha's Vineyard. However, its average single family tax bill ranks 218th at $1,884. Aquinnah (formerly Gay Head) and Gosnold also have high average assessed values ranked 12th and 18th at $350,646 and $309,909 respectively. Their average tax bills rank 138th and 335th at $2,286 and $775.

Generally, communities with lower tax bills do have lower assessed values. The communities with the lowest average tax bills are Rowe, $575; New Ashford, $646; Tolland, $658; Monroe, $707; Hancock, $745; and Gosnold, $775. In average assessed value these communities rank 279th, 299th, 182nd, 340th, 242nd and 18th. This includes Monroe with lowest average assessed value at $57,491.

The relationship between average single family tax bill and per capita income is stronger than the relationship of tax bills with assessed values. The six communities with the highest average bills all ranked in the top six in per capita income based on 1989 Census Bureau estimates. Weston ranked first in per capita income at $46,855; Lincoln ranked fifth at $35,189; Sherborn ranked second at $41,614; Carlisle ranked fourth at $36,387; Wayland ranked sixth at $34,646; and Dover ranked third at $40,288.

The relationship with per capita income does not hold for communities with the lowest tax bills. Of the 20 communities with the lowest bills, 13 rank in the bottom 20 percent in terms of per capita income, 3 are in the bottom half and 3 are in the upper half. There is some pattern in terms of geography: all but Gosnold and Fall River are in the western half of the state. There is also some relationship to population: five out of the six smallest communities in the state — Gosnold (population 97), Monroe (population 113), Mount Washington (population 132), New Ashford (population 181), and Tolland (population 297) — are amongst the 20 communities with the lowest tax bills.

While statewide trends show a steady increase in average tax bills, patterns varied widely from community to community. Half of the cities and towns had percentage increases over 4 percent from FY97 to FY98, and half had an increase less than 4 percent or even a decrease. Dover had the highest increase at 29.8 percent and New Ashford had a decrease of 16.9 percent.

Tax bill, assessed value and tax rate data come from the FY98 property tax information submitted to the Department of Revenue's Division of Local Services by local assessors. The average tax bill for each community is calculated by dividing the total tax levy for all the single family parcels by the total number of single family parcels. The same is done with state totals to get the statewide average. Average assessed value is calculated by dividing the total assessed value by the total number of parcels. The statewide average tax rate is calculated by dividing the statewide total tax levy by the total assessed value. For the 11 communities which have a residential exemption some of the tax burden is shifted from lower and moderately valued homes to higher valued homes and rental properties. DLS does not have sufficient information to calculate the average single family bills. These communities are: Boston, Brookline, Cambridge, Chelsea, Marlborough, Nantucket, Somerville, Somerset, Tisbury, Waltham and Watertown. ■

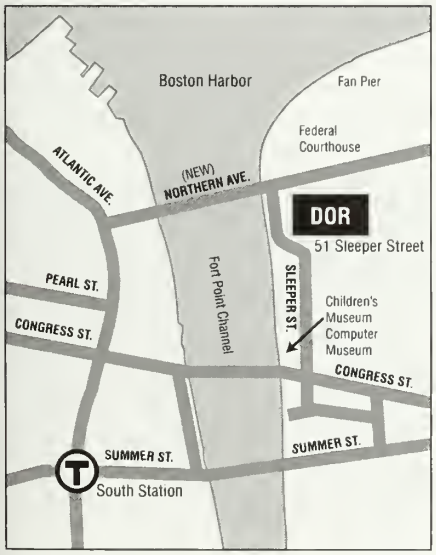
written by Stanley Nyberg

1. Communities with a residential exemption are not included.

DLS UPDATE

DLS on the Move!

The Department of Revenue, including the Division of Local Services, will be relocating to 51 Sleeper Street in Boston in early spring 1999. DOR is moving from the Saltonstall Building which will undergo extensive renovations including removal of asbestos and installation of a sprinkler system. The work is expected to take three years.



Sleeper Street is located in the South Station area near the Fort Point Channel and across the street from the new federal courthouse. The new DOR headquarters is on the corner of Northern Avenue. The building is about a ten-minute walk from South Station. DLS will occupy the fifth floor of the eight-story building.

Since DLS will be in the midst of packing in December, it would be mutually beneficial if communities could submit their tax rates as early as possible. Using the automated recapitulation sheet will substantially reduce processing time. ■

Tax on New Construction

A new statute, MGL Chapter 59 §2D, permits communities to make a pro rata tax assessment on certain parcels which have been improved with new construction. Property taxes for a particular fiscal year are fixed as of the preceding January 1. Improvements occurring after that date are not taxed until the next fiscal year. Under current law, for example, if a house is constructed in the spring of 1999 after the January 1 assessment date, the new owners will pay tax on the value of the land only for FY2000. They would not pay taxes on the value of their house until FY2001. Adopting the new statute allows a community to make a pro rata tax assessment for a fiscal year whenever an occupancy permit is issued for a parcel of real estate with new construction that has increased its value by over 50 percent. The purpose of this assessment is to provide the city or town with additional real estate taxes to fund additional costs that the new construction may generate, such as new teachers or additional police.

The assessment is calculated by applying the tax rate for the fiscal year in which the permit was issued to the value of the improvement and pro-rating that amount over the balance of that year. The statute requires acceptance by local referendum. To implement the pro rata tax assessments for FY2000, a community must have held a successful referendum before January 1, 1999. DLS issued a Bulletin in October which outlined the referendum procedure and will issue guidelines later to assist assessors to implement this new statute. ■

Education Reform

➡ *continued from page two*

the managerial tools instituted by the Education Reform Act. They also verify the accuracy of reports filed with the DOE. As part of the audit, the team conducts a confidential survey of all school district employees to obtain the employee perspective on issues ranging from school management to the cleanliness of facilities.

Upon completion of the field work, the school district receives a draft report for informal review and technical corrections. The EMAB then reviews the report, gives the superintendent the opportunity to discuss the draft report and releases the report after the vote of approval.

Audits of the school districts in Malden, Lowell, Brockton, Lexington, Triton Regional, and Worcester have been completed. Currently, audits are underway in Salem and Braintree. In FY99, the Legislature provided additional funding for this initiative. Deputy Commissioner Joseph J. Chessey Jr. has established an education audit bureau. With additional audit teams in the Springfield and Worcester areas, the new bureau will be able to expand audit coverage throughout the Commonwealth. One of the highlights of the audit effort is to identify "best practices" which might be of help to other districts if replicated there. The Education Management Accountability Board plans to release a summary of its findings before the end of the fiscal year. ■

1. *McDuffy v. Secretary of the Executive Office of Education* 415 Mass. 545 (1993).

Municipal Fiscal Calendar

December 15
Taxpayer: *Deadline for Applying for Property Tax Exemptions for Persons*
If tax bills are mailed after September 15, taxpayers have 3 months from the mailing date to file applications for exemptions.

Accountant/Superintendent/School Committee: *Submit Amendments to End of School Year Reported to DOE*
Last filing date to impact next year's Chapter 70 State Aid.

December 31
State Treasurer: *Notification of Quarterly Local Aid Payments on or Before December 31*

Taxpayer: *Deadline for Filing Application for Abatement of Motor Vehicle Excise for Prior Calendar Year*

Water/Sewer Commissioners: *Deadline for Betterments to be Included on Next Year's Tax Bill (M.G.L. Ch. 80, Sec. 13 and Ch. 83, Sec. 27)*

Selectmen: *Begin to Finalize Budget Recommendation for Review by Finance Committee*

Assessors: *Mail 3-ABC Forms to All Eligible Non-Profit Organizations*

Collector: *Deadline for Mailing Third Quarterly Tax Bill*

Data Bank Highlight

Information on property tax rates, average bills, assessed values, and parcel counts for the last ten years are available on the Municipal Data Bank web page. This same information can be requested from the Data Bank staff printed out on hard copy or as Microsoft Excel files which can be sent by email over the Internet. Two of the more common hard copy reports are Property Tax Trends and Average Tax Bill Trends.

To obtain Municipal Data Bank information contact Dora Brown, Debbie DePerri or Stan Nyberg at (617)626-2300. For technical assistance contact Burt Lewis at (617)626-2358. The World Wide Web address is listed below. ■

Countdown to Y2K

Is your vendor on schedule? Do you assume everything will be fine? Trust, but verify. Get it in writing or see test results.

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS World Wide Web site at **http://www.state.ma.us/dls** or by writing to PO Box 9655, Boston, MA 02114-9655.

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Bernard F. Crowley, Jr., Acting Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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Financial Forecasting

written by Frederick Kingsley

With another budget season on the horizon, this is a good time to evaluate your community's planning process and consider the benefits of financial forecasting. A financial forecast, or multi-year revenue and expenditure forecast, is a useful management and policy making tool that allows your municipality to evaluate the impact of various government decisions over time. Since policy choices often affect the town's financial condition for years to come, it is beneficial to analyze the associated fiscal impacts over a multi-year period. For example, what is the impact of a multi-year collective bargaining agreement? What is the impact of financing a new school and what impact will the debt service have on the tax rate? How much will a proposed development add to the tax levy and what are the associated added service costs? What is the impact of moving solid waste disposal to a full cost recovery basis over the next three years? Financial forecasting provides an effective approach to evaluating these and other policy choices being considered by your municipality.

A forecast can also serve as an early warning system to detect a future gap between revenues and expenditures. While it can't insulate your community from all forms of fiscal surprises, analyzing your financial picture in this type of comprehensive and structured manner will reduce the risk of overlooking key information. Detecting problems early gives management more time to consider corrective action. Assuming that the forecast is done with spreadsheet software, it is a simple matter to hold all the other components of the forecast constant and isolate the impact of various policy solutions on the bottom line.

Forecasting Methodology

It is important to recognize that forecasting is more of an art than an exact science. As such, a simple, common sense approach may be just as useful and accurate as an intricate econometric model. While beginning a revenue and expenditure forecast can be a daunting task given the complex interactions of numerous variables, it is more manageable if you follow the guidelines below. First, the length of the forecast period should be no more than three to five years. While you can choose a longer period, accuracy will decline rapidly as you move beyond the third or fourth year. Of course, much of the focus should be to project revenues accurately in the first forecast year. These numbers will provide parameters for the annual budget debate and can be used to develop budget guidelines to assist department heads in preparing their budget requests.

The forecast need not be as detailed as your annual budget. Rather, the forecast should be presented at a summary level with revenues and expenditures broken into manageable components. For example, expenditures can be summarized as school expenditures, municipal departmental expenditures, employee benefits, debt service, reserves, state and county charges and other amounts to be raised. Revenues can be consolidated into tax levy, state aid, local receipts and available funds. Subsidiary worksheets, with the necessary detail you need for accuracy, can be created with the totals referenced in your summary worksheets. Presenting the forecast at the summary level makes it easier to understand and helps readers distinguish the forecasting document from the recommended budget.

To project expenditures, we recommend a "maintenance budget" approach to forecasting. By this we mean projecting what it costs to maintain the same level of staffing and mix of services into the future. It is also helpful to assume that all current laws and regulations remain in effect during the forecast period. Negotiated collective bar-

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LEGAL in Our Opinion

Q: *A truck owner registered his vehicle in Massachusetts under the International Registration Plan (IRP). When he received a motor vehicle excise bill, he filed for an abatement since he operated the truck outside the Commonwealth for much of the year. Is the owner exempt from motor vehicle excise?*

A: No. The IRP is a federal program which allows truck owners to register their vehicles in a single state and avoid the burden of registering the vehicles in all states in which the vehicles are operated. Under the plan, the state of registration issues plates which authorize the subject vehicle to operate in all participating states. The IRP provides that all fees *from licensing* are apportioned among the member states according to the subject vehicle's mileage in each state.

Massachusetts became a participant in the IRP as of January 1, 1994. The Registrar of Motor Vehicles is authorized to promulgate regulations to carry out the provisions of the IRP.[1] The regulations appear in 540 CMR 13.00, entitled International Registration Plan Implementation Regulations. Section 13.05(2)(b) of the regulation provides that registering a truck under the IRP has "no relevance to or impact on any proceeding for the enforcement of the tax laws, or the payment of non-registration fees or taxes."

Accordingly, the owner's registration of the truck in Massachusetts under the IRP did not exempt him from the motor vehicle excise.

Q: *The Commonwealth awarded a grant to a town for an emergency water treatment project. Is it necessary that town meeting vote to appropriate the funds?*

A: A grant from the Commonwealth to a town department can be expended by the department without appropriation.[2] Any expenditure, however, must appear on a warrant approved by the board of selectmen. On the other hand, if the Commonwealth's grant was not made to a particular town department, then town meeting must first appropriate the funds and also designate which town board or department has the authority to expend the grant money. In this case, it would be necessary to review the grant documents to determine whether the granting agency intended to make the award to the board of public works or to the town itself.

Q: *An owner of classified forest land sold several acres to a developer. The conveyance left only nine acres in his ownership. Could the nine acres continue to be classified under M.G.L. Ch.61?*

A: No. M.G.L. Ch.61 Sec.2 describes forest land as "parcels of not less than ten contiguous acres in area ..." The State Forester's regulations (304 CMR 8.07) also provide that a classified parcel cannot be reduced to less than ten contiguous acres. Under the statute and the regulations, therefore, forest land in order to continue to be classified under M.G.L. Ch.61 must be at least ten contiguous acres in area and under the same ownership. ■

compiled by James Crowley

1. M.G.L. Ch.90 Sec.2.
2. M.G.L. Ch.44 Sec.53A.

Commissioner Adams Leaves DOR

Revenue Commissioner Mitchell Adams has left his position to head a new high technology company. Adams, who was appointed DOR commissioner in 1991, will become the chief executive officer of Healthwatch Technologies LLC, of Cambridge, Massachusetts and Portland, Maine.

"Over the past seven years Mitchell Adams has consistently improved services for taxpayers while cutting costs and waste," said the Governor. "He has also led our nationally recognized child support enforcement program, which has improved the lives of thousands of Massachusetts children by aggressively tracking down deadbeat parents."

Adams' implementation of information technology has transformed DOR from a paper factory into a highly efficient center of digital technology. Agency staffing has been reduced over 30 percent since 1991 while all performance measures are up significantly. Many of the pioneering technologies have been adopted by other states.

The many awards DOR has received during Adams' tenure include the 1997 Computerworld/Smithsonian award for Innovation in Information Technology for Telefile and Imaging systems and the 1994 Ford Foundation Innovations in Government for the child support enforcement program.

Bernard F. Crowley, Jr. has been appointed Acting Commissioner of the Department of Revenue by the Governor. Crowley is a resident of Newton who previously served as DOR's senior deputy commissioner and has worked for DOR since 1964. ■

Focus on Municipal Finance

School Building Assistance Act

The School Building Assistance Act (SBA) provides assistance to communities undertaking school building projects. Originally enacted as Chapter 645 of the Acts of 1948, the program has been amended many times. The SBA program was established to provide financial assistance to municipalities and regional school districts to plan and construct school buildings. Projects can be new buildings, additions or renovations. Under this program, the state provides a significant portion of all costs associated with the construction by providing grants to offset part of the debt service for the project. The SBA grants have been extended to June 30, 2003.

To participate in the program, municipalities and regional school districts must file capital project applications with the Department of Education (DOE). DOE has specific requirements for school buildings. The district must own the land on which they plan to build. Building plans must comply with environmental guidelines. Chapter 645 outlines other requirements as well. The city, town or regional school district (subject to the right of a member town to disapprove district borrowing) must have voted in favor of the project and authorized the sale of bonds before it can submit the application to DOE. The school district submits a plan for the system showing how many school buildings should be built or renovated. The community initially pays the cost of bid documents and drawings which are submitted to DOE for approval. Each building in a system is considered as a separate project and receives individual ranking on the priority list.

SBA has made program procedure changes for capital construction projects being submitted by June 1, 1999. There is a new requirement for adequate maintenance. *Beginning in FY99, districts must meet annual spending requirements for building maintenance to be eligible for future SBA project approvals.* To retain eligibility, the district must have spent at least 50 percent of the sum of the district's foundation budget for the ordinary maintenance including utility costs and extraordinary categories.[1] The Board of Education and the Division of Local Services jointly administer a waiver process for unanticipated or extraordinary changes in maintenance spending.

School districts must also meet certain other requirements:

- hold a building needs conference prior to January 1, 1999;
- submit educational specifications and preliminary designs approved by the school committee by March 1, 1999;
- submit *all* local sign off documents, such as Conservation and Historical Commission approvals, with the final application.

All school districts with projects listed on the FY98 and FY99 priority list which will have gone to bid prior to March 31, 1999 must complete a *Request for Project Number* and *Form F Actual Project Cost* to DOE once bids have been finalized. Many school districts will be notified that they must submit audits for approved and funded projects to DOE on or before January 1, 1999 or risk suspension of state assistance for the projects.

Since the Board of Education's school building regulations establish strict limits on project costs eligible for reimbursement, a district should ensure that the architect's current project cost estimate does not exceed the approved project cost limit before going out to bid. Although the regulations do allow the Board to waive the cost limits, approval of such waivers will only be recommended in truly rare and exceptional circumstances. The SBA will not recommend waiving a project's approved cost limit because bids came in higher than estimated. Should that happen, the district can re-bid the project as designed; redesign the project to reduce costs; or absorb the higher costs with local funds.

Applications for each fiscal year must be submitted by June 1 of the preceding fiscal year. Once all of the applications have been received, projects are prioritized within each category according to need. The state Board of Education and the Legislature have developed a formula to determine a district's need. Each district submits a worksheet which is used to determine the priority ranking of the particular project.

The state provides a varying percentage of the project costs depending on the wealth of the community and the category for reimbursement. In category one are districts seeking reimbursement to correct racial imbalance. Reimbursement to schools in this category is 90 percent of total project costs. In category two are districts seeking reimbursement to add to an existing building or build a new building to make space available for students in order to "provide full range of educational programs and to maintain full accreditation." Category three includes districts seeking reimbursement to meet significant program and facility needs.

Once a project is approved for funding, the state pays a percentage of the debt service over a five- to twenty-year period. The percentages which apply to each district under categories two and three are listed in the statute itself. A pro-

continued on page six ➡

School Building Assistance Act
➡ *continued from page three*

vision in the state budget in each of the last three years allows a city, town or regional school district to delay the permanent financing of the project so the first principal payment occurs in the same fiscal year as the first grant payment.

Any projects not funded in a fiscal year are moved to the top of the priority list for the following year. In recent years, the waiting time for funding approval has been one year for category one projects and three to four years for category two and three projects. In addition to the capital construction grants described above, the SBA statute also provides for grants for major reconstruction projects, such as roof replacements or HVAC improvements. However, this component of the program has not been funded in a number of years. There are currently 126 projects on the priority list awaiting funding approval. The priority list can be found on pages 4 and 5. The amounts listed as Individual Authorization are annual amounts, not the total project costs. ■

written by Jean McCarthy

1. Chapter 194 of the Acts of 1998, Section 241.

Course 101 Approved for Continuing Education

The Board of Registration of Real Estate Appraisers has awarded 7.5 hours of continuing education credit for the valuation sections of the Division of Local Services' Course 101 *Assessment Administration: Law, Procedures, Valuation.* The continuing education credits are prospective only. Appraisers must successfully complete the entire course to be eligible.

Financial Forecasting
➡ *continued from page one*

gaining increases, step increases and longevity increases can all be projected through the length of the contracts. Special attention should be paid to fixed costs such as employee benefits and debt service while ordinary operating expenses can be increased by an inflation factor.

Since the bulk of municipal expenditures are related to employee salaries and benefits, projecting these costs forward often reveals that there is little revenue left over after funding the maintenance budget. Any remaining funds can be used for such "discretionary spending" as future collective bargaining settlements, capital purchases, new staff, expanded services, or set aside as reserves. The policy debate will then focus clearly on prioritizing and balancing these competing demands for the funds available for discretionary purposes.

Since overstating available revenues is inherently risky, we recommend a moderately conservative approach to projecting revenues. With this approach, if additional revenues become available later in the process, additional priority items may be added to the recommended operating or capital budget. In the dynamic environment of government, it is necessary to revise the forecast periodically as new information becomes available. It also makes sense to revisit the forecast at key junctures such as after release of the Governor's budget which gives initial indications of state aid, prior to final adoption of the municipal budget or prior to tax rate setting time.

Conclusion

A reliable forecast is the product of accurate historical data and up-to-date information from many different sources. To coordinate the gathering of this data and to determine how to apply it to the forecast, it is best that one knowledgeable person take the lead role in the process. This individual could be the manager/administrator, finance director, accountant, or a finance committee member depending on your form of government.

Due to the myriad variables that can impact fiscal condition, however, a successful forecast requires the input and cooperation of all financial officials. Enlisting the support and expertise of your community's financial officials will also add to the credibility of the forecast. Credibility is important because other officials and citizens must believe that the forecast is a sound and reasonable portrayal of your municipality's fiscal condition. Otherwise, they will not trust the results enough to use them in the planning process. Forecasting can also serve as a valuable team building exercise, where meetings held initially to gather data for a forecast evolve into more widespread efforts to improve financial operations.

The forecast is more useful if the numbers are accompanied by written assumptions detailing how the numbers were rendered. Realistic assumptions will play a large role in ensuring a credible forecast. Once the forecasting model is complete, local officials will be in a good position to evaluate the fiscal impact of any contemplated spending choices or revenue raising options. In sum, forecasting is an important building block for a well-managed community and can play a key role in balancing the competing demands of operating and capital needs. ■

DLS UPDATE

Homeowner's Septic Repair Loan Program

The Massachusetts Housing Finance Agency (MHFA) released a status report on September 30 showing that to date $4.5 million has been loaned to 388 homeowners under the Homeowner Septic Repair Loan program. The average loan amount is $11,416. MHFA has been recruiting additional lenders in areas where there has been a lack of coverage. There are now 41 lenders participating in the program. The list of lenders is available at MHFA's website www.mhfa.com/hownsep.htm.

Owners of property with a deteriorating or failed septic system can apply for a loan from an approved bank. Loans can range from $1,000 to $25,000. The interest rate, which varies from zero to five percent, depends on income, the number of dependents and the location of the property. Of the loans processed to date, 59 are at zero percent, 141 at three percent, and 188 at five percent. The program is a joint effort of the Department of Revenue, the Department of Environmental Protection and MHFA. The first loans were made in the fall of 1997. For more information, call the MHFA consumer line (617) 854-1020.

Providing for the Unexpected

The Year 2000 problems with the potential to be the most serious are the unexpected ones. Despite all the advance warning, an important device with an embedded non-compliant computer chip might fail (e.g. a sewerage pump or a security system). The community might be 100 percent compliant, but a supplier of critically important goods or services may not be, forcing the community to fall back on expensive alternative ways of serving or protecting the public. Communities should, therefore, consider establishing a contingency account for Y2K expenses.

Rather than providing funds in one or more department budgets, a special article to establish a separate fund should be considered. The balance in this special fund would be carried forward rather than closing out at the end of the fiscal year. When no longer needed, the unspent balance can be closed out once the purpose has been accomplished.

Suggested wording for a Year 2000 article follows:

> The amount of $xxx is appropriated to the selectmen/mayor to provide for unanticipated costs of Year 2000 compliance or remediation for any municipal computer system or for devices dependent on date-sensitive embedded computer chips.

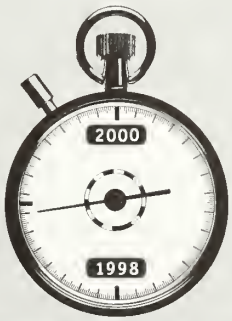
Communities Receive Chapter 90 Funds

The Bureau of Accounts (BOA) sent letters to 149 communities in late October notifying them that the Massachusetts Highway Department (MHD) has approved the release of $82,941,660 in Chapter 90 Bond Issue Apportionments. The first and second apportionment amounts may now be appropriated as an available fund in those communities. BOA suggests that appropriations be made by special article so that any balance will be carried forward into the next fiscal year rather than closing to the general fund. Specific projects must have a signed Memo of Agreement with MHD before funds can be expended. The BOA cautions that spending from this appropriation will be deducted from free cash unless (1) the community has borrowed in anticipation of receiving the reimbursement, (2) reimbursement has been received before free cash certification is requested, or (3) the community documents that the request for reimbursement has been filed and MHD confirms that payment will be made.

Essex Agricultural School Changes

As a result of the upcoming abolition of the Essex County government, a new governance and financing plan is being developed for the Essex Agricultural and Technical Institute. Under the current proposal, cities and towns with children attending this school will pay a direct tuition assessment each year beginning in FY2000. For more details, see the Department of Education's web page (www.doe.mass.edu/schoolfinance). ■

Countdown to Y2K



Municipal Fiscal Calendar

January 1
Assessors: *Property Tax Assessment Date*
This is the effective date (not for exemption purposes) for statewide assessed value for all property for the following fiscal year.

January 31
Treasurer: *File IRS Form 5500 (Report of Employee Benefit Plan)*
This is required if you provide a Fringe Benefit Plan giving Pre-Tax Insurance and/or Cafeteria Plan Benefits to employees and if that plan annually ends on June 30.

February 1
Taxpayer: *Deadline for Payment of 3rd Quarterly Tax Bill Without Interest*
(if mailed before January 1)

Taxpayer: *Quarterly Tax Bills — Application Deadline for Property Tax Abatement*
According to M.G.L. Ch. 59, Sec. 59, applications for abatements are due on Feb. 1 unless actual tax bills were mailed after December 31. In that case they are due May 1, or 30 days after mailing, whichever is later.

February 15
Treasurer: *2nd Quarter Reconciliation of Cash (due 45 days after end of quarter)*

February 28
Finance Committee: *Continue Budget Review and Develop Recommendations*
This date will vary depending on dates of town meeting.

Reminder to City and Town Clerks — Submit New Assessors List

Many city and town clerks have not yet submitted a certified list with the name(s) of new assessor(s) and the name of the person he/she replaced. This should have been done immediately after the annual election. Reporting this information on an annual basis is required by law. Contact Barbara LaVertue at (617) 626-2340 with questions.

Data Bank Highlight

Information on total education spending for each community since FY86 is available on the Municipal Data Bank web page under *Actual General Fund Expenditures — School versus total general fund expenditures.* There are also web reports showing state aid for education to communities and regional school districts since FY86. More detailed information or comparison reports can be requested from the Data Bank staff printed out on hard copy or as Microsoft Excel files which can be sent by email over the Internet.

To obtain Municipal Data Bank information contact Medi Ba, Dora Brown, Debbie DePerri or Stan Nyberg at (617) 626-2300. For technical assistance contact Burt Lewis at (617) 626-2358. The World Wide Web address is listed below. ■

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS World Wide Web site at **http://www.state.ma.us/dls** or by writing to PO Box 9655, Boston, MA 02114-9655.

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Bernard F. Crowley, Jr., Acting Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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DLS Pilots Y2K Outreach

written by David Davies

During the past two years the Division of Local Services (DLS) has been alerting cities and towns to the potential of computer system failures because of Year 2000 (Y2K) programming errors. While the early focus of those worrying about the millennium bug was on large federal and state agencies, the spotlight has shifted to municipal government. Surveys show that the public places a high priority on uninterrupted vital municipal services. With just 11 months left, it is time to make the final preparations.

DLS has organized an ambitious Y2K outreach program for municipalities. The program will provide on-site staff assistance to small towns in assessing vulnerabilities, and create a central Web-based clearinghouse for compliance data on products and community status.

Y2K Outreach Program

DLS staff has tested the outreach program by providing assistance to small towns that do not have paid technical staff. Outreach staff is conducting inventories in municipal governments, school districts, housing authorities, utility districts, etc. The community must agree that it retains responsibility for the accuracy of data collected and the appropriateness of the proposed solutions. The program includes:

- hardware, software, and embedded device inventories;
- vendor management program development;
- non-compliant system assessments;
- remediation or replacement strategy recommendations; and
- community specific risk management and contingency plans.

For outreach recommendations to be beneficial they should be part of FY2000 budget deliberations and creation of Y2K contingency accounts. DLS began testing the program last month in 17 of the 100 communities with populations under 5,000. At this writing half of the inventories are done and preliminary community results show:

Time is of the essence.

- many have Y2K vulnerabilities because they rely on older non-compliant vendor programs in the interest of economy;
- communities are aware of Y2K issues to varying degrees and are purchasing hardware and software with compliance in mind;
- many assume Y2K compliance relates only to financial systems, consequently, public safety, utilities, etc., receive less scrutiny;
- suppliers and service vendors are seldom queried on their Y2K status; and
- many communities trust verbal compliance assurances on products without specification of what compliance means.

DLS believes that, with full community cooperation, it can inventory all 100 communities. Also, once those goals are met we will offer assistance to larger communities.

Web-based Clearinghouse

Currently DLS is creating an Internet Y2K compliance clearinghouse. Information gathered by DLS will be posted to a database that can be searched by community, department, product, or vendor, and downloaded. For example, someone discovers that an embedded chip in a specific model water pump is not Y2K compliant, and DLS posts that information. A local official elsewhere is worried about water system compliance and searches by *water supply* or *pump* or *vendor name*. The searcher could discover the water system's compliant status, where else it is used in Massachusetts, the vendor's proposed solution, their website, e-mail address, and product certifications. Data on alternative compliant pumping systems can also be found. While the clearinghouse website is under construction we will create a static (non-searchable) Internet site to get

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LEGAL in Our Opinion

Trust Ownership/ Exemption Eligibility

The Appellate Tax Board (ATB) recently upheld the denial of a veterans exemption to an applicant whose property was held in trust. *H. Edward Jans v. Assessors of Eastham.*[1] The ATB rendered a decision, through its informal process, consistent with an advisory opinion from the Division of Local Services' Property Tax Bureau. In our advisory letter to the assessors, we wrote that Jans did not qualify for a veterans exemption because of the ownership through multiple trusts.

H. Edward Jans and Caroline G. Jans who owned a house in Eastham decided to change the property's form of ownership. The husband and wife created three trusts: one in the Jans family name and one in each of their given names. They conveyed their house to themselves as trustees of the Jans Nominee Trust. Under the declaration of trust, the full beneficial interest was held by the trustee of the H. Edward Jans Trust (50 percent interest) and the trustee of the Caroline G. Jans Trust (50 percent interest). When the husband applied for a veterans exemption, the assessors denied the application since the husband did not meet the threshold ownership requirement under M.G.L. Ch.59 Sec.5.

A major element embodied in the concept of a trust is the separation of legal title, which is vested in the trustee, from the beneficial ownership interest. A determination of the legal title and the beneficial interest is essential in ascertaining the taxpayer's eligibility for an exemption since an applicant must have both ownership of a sufficient beneficial property interest and ownership of a record legal interest to obtain an exemption.

The landmark case on this issue is *Kirby v. Board of Assessors of Medford.*[2] In that decision, the Supreme Judicial Court upheld the denial of an elderly exemption to an individual who possessed no more than a beneficial interest in his property, even though he met all other statutory requirements for the exemption.[3] The Supreme Judicial Court ruled that ownership for the purpose of receiving the elderly exemption required "not only ownership of a sufficient beneficial property interest, but also ownership of a record legal interest, as a condition of obtaining the exemption."

In *Jans*, the husband and wife had divided the legal and beneficial interests in their domicile between separate trusts. We previously advised assessors that such an arrangement does not, as a rule, satisfy the *Kirby* test since it is far different from separating those interests within a single trust. Although the husband held legal title as trustee for the Jans trust, he did not have a sufficient beneficial interest in the particular trust in which the domicile is held. In the Department's Informational Guideline Release entitled "Exemption Eligibility of Property Held in Trust" (IGR 91-209), we wrote as follows on the subject of "Multiple Trusts":

To fulfill the ownership requirement for property held in trust, an individual must possess both legal title and sufficient beneficial interest in the particular trust in which the domicile is held. Therefore, if an individual establishes more than one trust, retaining legal title to his domicile under one trust but transmitting the full beneficial interest in that domicile to some other trust, the individual does not qualify for a personal or a residential exemption. ■

written by James Crowley

1. Docket #X282673, 1998.
2. 350 Mass. 386 (1966).
3. M.G.L. Ch.59 Sec.5 Cl.41.

Y2K Outreach
➡ *continued from page one*

this information out as soon as possible. As with all Year 2000 programs, time is of the essence.

Plans also include a Year 2000 Compliance Web page for each community with a message from the community's executives. There will be links to the community's Y2K assessment and contingency plans. Cities, towns and businesses are welcome to link to their sites. The clearinghouse can also be a procurement resource as the search for solutions intensifies.

Workshops and Publications

DLS is working with other agencies and associations to organize regional workshops for non-technical local leaders. Workshop topics and related publications will focus on topics, like contingency planning, that relate to the decisions facing local officials and the concerns of their constituents as the year 2000 approaches.

Media attention will increasingly make Y2K preparedness an issue of citizens' concern. Some larger jurisdictions in the country are preparing Y2K contingency plans similar to emergency management planning for a blizzard or hurricane. Because DLS knows that many Massachusetts communities use similar systems and face common problems, we are working to simplify the search for compliance verifications or common solutions. Well-informed municipal officials will more effectively guide their communities through a unique period of time in which even the experts disagree. Verification of local systems is a small but important part of the solution. ■

Focus on Municipal Finance

FY1997 Municipal Spending

This article compares FY1997 municipal general fund expenditures with those of FY1996 and also looks at trends from FY1990 to FY1997. In FY1997 general fund spending increased 3.7 percent over FY1996, or about 1.3 percent when adjusted for inflation. This is a bit higher than the average rate of increase over the last seven years. Actual expenditure growth from FY1990 to FY1997 was 24.7 percent. Adjusted for inflation, it was only 3.5 percent or 0.5 percent per year.

Thirty communities actually had a decrease in general fund expenditures between FY1996 and FY1997. The largest decrease was 17.3 percent in Tolland, followed by 15.2 percent in Provincetown and 14.3 percent in Rowe. All three of these communities are comparatively small, so that small dollar-value changes resulted in large percentage changes. For example, in Tolland a decrease from $305,889 to $174,884 in public works and highway costs accounted for most of the total decrease. Sixty-nine communities kept spending below the state and local government inflation rate of 2.3 percent. There were 38 communities with an increase of over 10 percent. For the most part, these large increases were one time expenditures which could be accounted for by changes in recognizing expenses (moving some charges from one fiscal year to another) or debt restructuring.

Statewide Trends

Statewide, in FY1997, education accounted for 47.5 percent of municipal general fund expenditures. The next largest expenditure, fixed costs, accounted for 11.2 percent of the total. Fixed costs are mainly employee benefits that communities must provide and over which they have little control. These were followed by police, 7.7 percent; debt service, 6.0 percent; fire, 5.9 percent; general government, 5.0 percent; other public works (not charged to a specific function, for example highways); 3.9 percent; highways, 3.5 percent; intergovernmental (state, county, MWRA and other assessments), 3.2 percent; culture and recreation, 2.3 percent; health and welfare, 1.3 percent; other public safety (ambulance, emergency, inspectional services, etc),1.3 percent; and other expenditures, 1.3 percent.

Between FY1990 and FY1997 total general fund spending had a net increase of $2 billion. Education accounted for 71.6 percent or about $1.5 billion of the net increase. Much of this increase in spending on education came from increases in state aid, as well as increases in local spending required by the Ed Reform Act of 1993. The next largest shares of the increase were fixed costs (8.5 percent, $175 million), police (8.5 percent, $174 million) and intergovernmental (4.9 percent, $101 million). The large increase in police expenditures was funded in part by federal and state programs aimed at increasing the size of police depart-

continued on page six ➡

Table 1

Total General Fund Expenditure by Function

Massachusetts State Totals (FY96 data are used for Chester and Plympton)

Expenditures	FY90	FY93	FY95	FY96	FY97	Change FY90–FY97	Change FY96–FY97
General Government	456,861,081	425,250,309	456,238,354	492,939,002	518,518,517	13.5%	5.2%
Police	620,844,165	634,355,748	712,861,026	751,273,186	794,946,973	28.0%	5.8%
Fire	516,595,783	512,845,770	562,154,754	583,565,653	604,976,066	17.1%	3.7%
Other Public Safety	142,709,003	129,797,324	142,091,278	143,392,654	133,015,803	−6.8%	−7.2%
Education	3,440,838,075	3,570,770,134	4,262,415,710	4,573,251,030	4,906,503,268	42.6%	7.3%
Highways	333,862,310	334,173,330	316,406,981	411,169,322	357,499,139	7.1%	−13.1%
Other Public Works	426,988,871	382,508,171	395,180,294	389,903,429	407,514,416	−4.6%	4.5%
Health and Welfare	348,983,201	283,136,216	312,041,861	325,433,032	138,601,943	−60.3%	−57.4%
Culture and Recreation	197,075,557	184,109,775	205,558,424	219,335,054	233,298,401	18.4%	6.4%
Debt Service	522,773,113	533,781,890	550,563,716	586,104,558	619,109,987	18.4%	5.6%
Fixed costs	986,412,830	1,115,928,359	1,117,739,274	1,127,644,630	1,161,331,489	17.7%	3.0%
Intergovernmental	229,356,549	300,215,014	312,124,966	313,267,390	330,508,760	44.1%	5.5%
Other	63,874,234	51,317,410	48,766,238	50,067,908	128,850,698	101.7%	157.4%
TOTAL	**8,287,174,772**	**8,458,189,450**	**9,394,142,876**	**9,967,346,848**	**10,334,675,460**	**24.7%**	**3.7%**

General Fund Expenditures

Municipality	GENERAL FUND EXPENDITURES (In 000s) FY96 Total	(In 000s) FY97 Total	% Change FY96–FY97	EXPENDITURES PER CAPITA Total	Education	Police	Fire	Public Works
Abington	19,848	19,906	0.3	1,356	770	94	84	96
Acton	31,499	33,073	5.0	1,754	1,174	91	89	79
Acushnet	10,296	11,433	11.0	1,162	773	80	26	59
Adams	7,219	7,504	3.9	839	244	108	0	199
Agawam	37,245	39,230	5.3	1,468	775	88	82	221
Alford	671	635	–5.4	1,538	796	9	22	359
Amesbury	22,752	24,480	7.6	1,551	836	114	73	96
Amherst	31,189	32,430	4.0	914	498	63	58	39
Andover	60,299	62,867	4.3	2,035	947	124	137	132
Arlington	59,815	61,014	2.0	1,398	567	76	84	145
Ashburnham	5,438	6,043	11.1	1,105	624	47	39	112
Ashby	2,580	2,751	6.6	938	580	53	16	111
Ashfield	2,240	2,226	–0.6	1,276	693	32	13	152
Ashland	17,501	19,509	11.5	1,508	868	86	79	63
Athol	6,634	7,503	13.1	672	101	87	79	93
Attleboro	59,535	63,992	7.5	1,638	820	94	98	113
Auburn	20,251	21,468	6.0	1,431	791	100	25	138
Avon	8,281	8,338	0.7	1,808	834	222	114	189
Ayer	13,223	14,184	7.3	1,922	973	122	56	240
Barnstable	67,133	70,947	5.7	1,624	899	139	0	85
Barre	4,187	5,226	24.8	1,088	416	49	34	173
Becket	2,234	2,374	6.3	1,571	761	35	17	302
Bedford	29,143	31,692	8.7	2,317	1,013	120	91	273
Belchertown	15,412	17,998	16.8	1,531	991	76	15	64
Bellingham	21,385	23,286	8.9	1,498	776	89	43	180
Belmont	45,018	48,536	7.8	2,019	890	158	110	324
Berkley	6,172	6,842	10.9	1,307	823	35	21	85
Berlin	3,350	3,512	4.8	1,506	853	116	37	135
Bernardston	1,848	1,921	4.0	919	590	55	16	71
Beverly	59,999	62,115	3.5	1,609	683	97	100	265
Billerica	66,252	68,556	3.5	1,764	911	106	111	208
Blackstone	6,455	6,742	4.4	815	449	85	28	70
Blandford	1,200	1,239	3.3	1,090	660	7	16	215
Bolton	5,716	6,294	10.1	1,919	1,252	118	6	158
Boston	1,440,977	1,354,245	–6.0	2,425	852	297	177	95
Bourne	24,316	25,586	5.2	1,460	685	108	65	81
Boxborough	7,315	7,842	7.2	1,971	1,098	106	96	101
Boxford	12,111	12,563	3.7	1,469	855	77	22	67
Boylston	4,751	5,126	7.9	1,352	875	99	11	76
Braintree	49,854	51,964	4.2	1,497	789	139	135	93
Brewster	17,387	18,723	7.7	2,022	929	116	70	107
Bridgewater	19,033	19,828	4.2	837	406	86	61	42
Brimfield	4,301	4,399	2.3	1,422	942	14	12	95
Brockton	145,764	156,034	7.0	1,690	862	118	120	92
Brookfield	4,063	4,177	2.8	1,433	947	34	9	68
Brookline	110,457	117,217	6.1	2,165	703	158	163	146
Buckland	2,022	2,132	5.4	1,097	666	50	0	154
Burlington	51,277	51,248	–0.1	2,181	1,019	159	148	167
Cambridge	216,302	226,567	4.7	2,418	757	166	156	165
Canton	31,275	32,708	4.6	1,610	757	104	109	111
Carlisle	10,063	10,808	7.4	2,350	1,444	135	18	151
Carver	17,869	19,077	6.8	1,690	1,080	88	16	57
Charlemont	1,511	1,793	18.7	1,428	641	47	33	381
Charlton	7,434	7,971	7.2	791	438	81	10	71
Chatham	15,410	23,928	55.3	3,453	713	176	147	218
Chelmsford	53,099	54,621	2.9	1,631	915	96	88	121
Chelsea	62,832	66,699	6.2	2,416	1,029	150	160	140
Cheshire	2,479	2,619	5.6	760	382	13	7	190
Chester*	1,325	1,325	0.0	1,059	556	20	11	286
Chesterfield	1,321	1,370	3.7	1,222	752	8	8	185

Municipality	GENERAL FUND EXPENDITURES (In 000s) FY96 Total	(In 000s) FY97 Total	% Change FY96–FY97	EXPENDITURES PER CAPITA Total	Education	Police	Fire	Public Works
Chicopee	73,940	80,313	8.6	1,473	756	98	105	77
Chilmark	2,783	2,857	2.7	3,739	1,422	319	44	250
Clarksburg	1,817	2,073	14.1	1,231	851	15	13	117
Clinton	17,592	18,474	5.0	1,413	785	98	86	78
Cohasset	14,311	15,029	5.0	2,126	1,025	136	168	102
Colrain	1,602	1,772	10.6	962	632	18	14	132
Concord	33,720	35,472	5.2	1,994	1,151	107	100	91
Conway	2,672	2,818	5.5	1,714	1,029	13	11	147
Cummington	1,030	1,115	8.3	1,405	820	17	12	277
Dalton	7,207	7,629	5.9	1,095	605	80	0	184
Danvers	40,735	43,270	6.2	1,768	716	132	108	300
Dartmouth	30,860	32,923	6.7	1,172	683	120	0	90
Dedham	39,336	41,870	6.4	1,764	715	149	121	297
Deerfield	6,457	6,514	0.9	1,311	780	62	0	112
Dennis	23,361	22,877	–2.1	1,586	638	136	112	154
Dighton	5,655	6,196	9.6	1,055	621	93	47	113
Douglas	8,451	9,402	11.3	1,530	933	97	7	81
Dover	10,834	11,763	8.6	2,185	1,229	159	31	222
Dracut	26,285	30,939	17.7	1,114	649	75	56	122
Dudley	5,385	5,781	7.4	597	285	81	30	53
Dunstable	3,138	3,181	1.4	1,231	826	79	5	89
Duxbury	25,230	26,227	4.0	1,748	1,035	131	76	144
E. Bridgewater	17,936	18,931	5.5	1,560	909	97	60	66
E. Brookfield	1,671	1,484	–11.2	738	339	62	12	163
E. Longmeadow	19,579	20,678	5.6	1,489	899	84	31	116
Eastham	10,008	10,891	8.8	2,243	813	192	196	139
Easthampton	18,270	20,078	9.9	1,275	697	85	79	51
Easton	27,075	29,622	9.4	1,413	769	104	84	59
Edgartown	12,114	12,963	7.0	3,676	1,433	279	44	439
Egremont	2,032	2,078	2.3	1,684	853	116	22	323
Erving	2,767	2,789	0.8	2,027	1,324	74	34	155
Essex	4,462	4,966	11.3	1,474	805	161	19	159
Everett	64,448	68,645	6.5	1,961	683	155	136	135
Fairhaven	18,463	19,629	6.3	1,229	748	90	54	101
Fall River	124,267	129,789	4.4	1,428	695	123	119	55
Falmouth	52,500	52,734	0.4	1,732	847	104	108	190
Fitchburg	58,933	63,704	8.1	1,599	735	120	118	190
Florida	1,401	1,467	4.7	2,002	1,217	2	18	449
Foxborough	23,287	25,060	7.6	1,565	913	93	75	64
Framingham	103,685	109,178	5.3	1,692	836	100	119	120
Franklin	32,100	39,297	22.4	1,474	892	80	72	108
Freetown	9,128	9,450	3.5	1,082	665	75	46	67
Gardner	23,900	26,091	9.2	1,295	619	78	91	63
Aquinnah	1,157	1,254	8.4	5,357	1,403	703	81	318
Georgetown	9,373	10,203	8.9	1,446	835	103	20	54
Gill	1,275	1,364	7.0	859	465	20	21	153
Gloucester	43,477	44,880	3.2	1,533	772	120	121	84
Goshen	1,059	1,120	5.8	1,316	689	39	27	248
Gosnold	548	481	–12.2	4,956	350	130	70	2,257
Grafton	15,131	15,894	5.0	1,196	707	79	11	92
Granby	6,915	7,107	2.8	1,215	831	91	15	32
Granville	2,279	2,665	16.9	1,898	980	26	18	327
Grt. Barrington	10,954	10,026	–8.5	1,310	740	94	18	100
Greenfield	26,484	28,042	5.9	1,509	696	96	67	135
Groton	11,110	11,922	7.3	1,356	750	86	34	103
Groveland	6,055	6,772	11.8	1,207	634	76	15	145
Hadley	6,033	6,861	13.7	1,571	754	100	15	81
Halifax	8,297	8,803	6.1	1,286	719	92	46	60
Hamilton	10,240	10,821	5.7	1,445	880	112	27	134
Hampden	5,057	5,540	9.6	1,168	697	127	4	78

Municipality	GENERAL FUND EXPENDITURES (In 000s) FY96 Total	(In 000s) FY97 Total	% Change FY96–FY97	EXPENDITURES PER CAPITA Total	Education	Police	Fire	Public Works
Hancock	871	859	–1.4	1,458	1,069	1	28	197
Hanover	20,297	22,060	8.7	1,711	988	118	76	123
Hanson	10,531	10,854	3.1	1,141	479	108	85	118
Hardwick	2,311	2,703	17.0	1,056	568	54	84	173
Harvard	10,216	10,533	3.1	909	481	34	8	81
Harwich	24,941	25,427	1.9	2,245	791	163	156	223
Hatfield	4,104	4,318	5.2	1,332	787	30	17	112
Haverhill	77,143	80,730	4.6	1,496	775	99	103	51
Hawley	442	431	–2.5	1,319	710	2	40	309
Heath	1,067	1,111	4.1	1,499	668	19	38	320
Hingham	32,906	34,171	3.8	1,686	910	121	129	106
Hinsdale	1,785	1,874	5.0	995	622	25	13	165
Holbrook	14,606	16,052	9.9	1,447	628	99	107	113
Holden	16,357	16,872	3.1	1,128	715	74	22	91
Holland	2,752	2,855	3.7	1,356	961	24	21	122
Holliston	20,210	21,758	7.7	1,626	1,167	111	38	130
Holyoke	91,221	86,428	–5.3	2,085	1,163	173	143	97
Hopedale	7,796	8,876	13.9	1,579	912	86	41	56
Hopkinton	18,323	19,700	7.5	1,823	1,066	94	64	148
Hubbardston	2,741	3,026	10.4	897	438	72	38	102
Hudson	27,732	28,811	3.9	1,628	905	95	98	155
Hull	17,798	18,790	5.6	1,794	773	143	156	65
Huntington	1,706	1,766	3.5	831	503	20	9	116
Ipswich	17,293	17,994	4.1	1,457	839	102	77	159
Kingston	15,289	15,600	2.0	1,493	714	132	74	86
Lakeville	9,492	10,094	6.3	1,174	685	99	38	36
Lancaster	5,329	5,718	7.3	874	563	66	13	47
Lanesborough	4,342	4,615	6.3	1,512	952	96	17	115
Lawrence	116,075	122,768	5.8	1,784	1,120	98	96	73
Lee	8,451	8,766	3.7	1,526	935	96	10	78
Leicester	13,193	13,938	5.6	1,350	836	77	12	64
Lenox	9,836	10,309	4.8	2,053	1,122	101	7	91
Leominster	46,167	49,771	7.8	1,268	702	95	109	84
Leverett	2,337	2,869	22.8	1,564	964	30	16	369
Lexington	59,908	62,369	4.1	2,115	1,268	104	94	175
Leyden	828	792	–4.3	1,119	626	27	10	252
Lincoln	13,931	14,956	7.4	1,893	849	87	92	131
Littleton	13,092	13,570	3.7	1,764	901	127	48	122
Longmeadow	25,977	27,699	6.6	1,863	1,131	114	57	98
Lowell	166,891	180,189	8.0	1,785	892	131	101	124
Ludlow	25,387	27,311	7.6	1,454	837	78	59	145
Lunenburg	11,614	12,838	10.5	1,383	887	65	32	80
Lynn	139,458	144,492	3.6	1,794	867	119	156	98
Lynnfield	17,864	18,420	3.1	1,640	930	117	55	129
Malden	81,467	86,483	6.2	1,640	592	103	109	95
Manchester	10,411	10,933	5.0	2,041	932	154	89	198
Mansfield	31,238	33,346	6.7	1,773	959	96	90	119
Marblehead	29,675	31,524	6.2	1,578	748	102	92	114
Marion	8,795	9,229	4.9	1,863	915	146	27	175
Marlborough	49,997	52,964	5.9	1,606	837	131	126	174
Marshfield	31,746	32,972	3.9	1,439	914	90	96	61
Mashpee	20,536	24,038	17.1	2,690	1,128	204	166	173
Mattapoisett	8,819	9,606	8.9	1,552	865	142	21	94
Maynard	16,774	17,295	3.1	1,661	791	126	106	220
Medfield	19,318	20,845	7.9	1,818	1,038	108	22	145
Medford	74,697	78,829	5.5	1,403	580	121	128	105
Medway	15,802	16,961	7.3	1,489	1,000	83	12	114
Melrose	38,026	38,794	2.0	1,414	676	92	93	110
Mendon	4,339	4,957	14.2	1,127	665	101	25	84
Merrimac	6,362	6,892	8.3	1,216	551	66	27	192

Municipality	GENERAL FUND EXPENDITURES (in 000s) FY96 Total	(in 000s) FY97 Total	% Change FY96–FY97	EXPENDITURES PER CAPITA Total	Education	Police	Fire	Public Works
Methuen	53,920	59,069	9.5	1,440	752	100	105	112
Middleborough	27,422	29,284	6.8	1,525	932	99	65	60
Middlefield	585	591	1.0	1,318	690	11	16	340
Middleton	8,082	9,689	19.9	1,723	860	109	116	105
Milford	37,449	40,889	9.2	1,623	897	101	78	101
Millbury	14,521	15,008	3.4	1,217	704	95	17	74
Millis	11,052	11,490	4.0	1,443	769	93	19	78
Millville	2,047	2,154	5.2	886	480	77	49	85
Milton	38,054	39,578	4.0	1,534	730	149	100	111
Monroe	305	337	10.3	2,981	1,157	2	11	1,062
Monson	11,807	12,963	9.8	1,631	917	77	12	124
Montague	7,869	8,199	4.2	978	449	102	0	138
Monterey	1,548	1,576	1.8	1,968	897	40	32	476
Montgomery	731	1,109	51.7	1,412	583	3	9	222
Mt. Washington	316	271	–14.2	2,051	542	10	15	850
Nahant	6,154	6,529	6.1	1,726	612	142	73	268
Nantucket	29,453	32,110	9.0	4,419	1,272	275	169	197
Natick	55,140	57,040	3.4	1,822	771	111	122	175
Needham	51,530	52,634	2.1	1,891	797	111	142	141
New Ashford	276	284	2.9	1,568	1,163	0	25	179
New Bedford	155,081	158,036	1.9	1,631	818	130	112	125
New Braintree	776	950	22.4	1,016	623	22	28	151
New Marlborough	2,120	2,162	2.0	1,713	1,066	15	18	273
New Salem	1,067	1,166	9.3	1,414	766	20	28	117
Newbury	8,602	8,714	1.3	1,456	661	118	44	102
Newburyport	24,325	26,341	8.3	1,591	817	116	114	121
Newton	138,917	149,307	7.5	1,861	949	120	110	189
Norfolk	13,585	13,733	1.1	1,322	720	95	29	82
N. Adams	24,681	26,334	6.7	1,662	795	79	72	228
N. Andover	37,321	40,580	8.7	1,671	817	87	96	180
N. Attleborough	32,690	35,851	9.7	1,403	751	95	91	42
N. Brookfield	5,960	6,352	6.6	1,319	890	46	10	63
N. Reading	21,543	22,613	5.0	1,750	864	133	112	140
Northampton	40,983	44,027	7.4	1,527	688	101	84	82
Northborough	19,624	21,016	7.1	1,642	933	95	47	154
Northbridge	15,243	18,482	21.2	1,350	819	79	26	97
Northfield	3,191	3,253	1.9	1,117	563	38	18	196
Norton	19,747	21,365	8.2	1,364	799	79	79	62
Norwell	17,524	19,152	9.3	1,984	1,146	120	74	94
Norwood	70,776	72,393	2.3	2,505	732	136	117	1,151
Oak Bluffs	10,293	10,718	4.1	3,427	1,311	269	37	217
Oakham	1,287	1,411	9.6	859	562	43	26	89
Orange	10,030	10,811	7.8	1,437	893	70	39	167
Orleans	13,830	13,944	0.8	2,254	759	215	158	166
Otis	2,174	2,217	2.0	2,070	1,130	36	39	440
Oxford	16,040	16,886	5.3	1,295	835	84	10	79
Palmer	18,612	19,814	6.5	1,664	813	77	0	165
Paxton	6,747	6,904	2.3	1,675	625	84	21	694
Peabody	78,615	77,650	–1.2	1,606	697	104	93	322
Pelham	1,763	1,940	10.0	1,358	934	50	16	153
Pembroke	20,088	20,641	2.8	1,289	802	99	84	55
Pepperell	9,115	9,071	–0.5	855	493	70	12	56
Peru	869	811	–6.7	1,077	663	18	14	205
Petersham	1,428	1,273	–10.9	1,101	740	47	14	126
Phillipston	995	1,114	12.0	691	319	34	24	90
Pittsfield	72,122	70,538	–2.2	1,523	709	104	100	150
Plainfield	797	850	6.6	1,395	708	11	12	315
Plainville	8,689	9,083	4.5	1,255	703	121	62	67
Plymouth	77,742	78,622	1.1	1,627	977	125	114	113
Plympton*	3,509	3,509	0.0	1,342	792	157	26	130
Princeton	4,825	8,705	80.4	2,613	693	88	22	150
Provincetown	13,824	11,724	–15.2	3,185	984	300	46	337
Quincy	147,444	150,694	2.2	1,762	560	166	141	146
Randolph	42,309	44,085	4.2	1,443	744	102	78	102
Raynham	10,859	11,384	4.8	1,083	555	157	96	67
Reading	35,898	37,933	5.7	1,652	858	109	93	120
Rehoboth	9,222	9,563	3.7	1,022	614	113	19	79
Revere	71,448	73,264	2.5	1,754	661	121	123	110
Richmond	2,558	2,753	7.6	1,688	1,026	2	24	186
Rochester	6,862	7,404	7.9	1,686	1,150	60	19	72
Rockland	25,634	26,633	3.9	1,545	841	103	90	70
Rockport	14,534	15,570	7.1	2,054	754	113	15	269
Rowe	1,669	1,430	–14.3	3,794	1,619	44	89	844
Rowley	6,260	6,262	0.0	1,205	706	101	31	61
Royalston	766	684	–10.7	569	135	20	21	235
Russell	1,407	1,385	–1.6	869	524	3	23	111
Rutland	4,404	4,618	4.9	891	530	38	22	110
Salem	62,911	65,836	4.6	1,732	744	139	125	117
Salisbury	8,395	8,712	3.8	1,228	641	180	62	117
Sandisfield	1,213	1,332	9.8	2,015	923	24	53	687
Sandwich	28,982	31,366	8.2	1,751	956	92	87	90
Saugus	36,736	39,159	6.6	1,493	686	123	92	101
Savoy	841	920	9.4	1,339	888	2	12	230
Scituate	28,685	28,764	0.3	1,668	843	99	143	191
Seekonk	18,828	19,676	4.5	1,483	899	137	58	95
Sharon	29,247	30,310	3.6	1,817	961	103	59	152
Sheffield	4,270	4,608	7.9	1,553	1,060	48	2	109
Shelburne	1,970	2,127	8.0	1,049	606	48	0	170
Sherborn	9,806	10,264	4.7	2,499	1,441	175	35	220
Shirley	6,683	6,870	2.8	921	548	72	16	61
Shrewsbury	33,781	36,235	7.3	1,354	770	79	58	84
Shutesbury	2,831	2,978	5.2	1,739	1,026	27	14	170
Somerset	24,283	25,941	6.8	1,464	914	90	71	113
Somerville	110,563	115,540	4.5	1,554	490	109	108	104
S. Hadley	18,907	20,440	8.1	1,199	718	85	0	53
Southampton	5,978	6,396	7.0	1,318	745	59	20	82
Southborough	12,187	13,014	6.8	1,761	966	106	86	132
Southbridge	22,275	23,177	4.0	1,328	870	75	52	72
Southwick	7,365	8,116	10.2	1,014	459	119	15	129
Spencer	7,319	7,692	5.1	636	310	46	12	103
Springfield	288,044	297,848	3.4	1,986	962	170	115	96
Sterling	7,576	7,792	2.9	1,136	700	95	18	118
Stockbridge	3,363	3,570	6.2	1,526	685	132	21	254
Stoneham	30,184	31,805	5.4	1,437	690	123	102	113
Stoughton	36,789	38,428	4.5	1,398	780	107	102	80
Stow	8,430	8,933	6.0	1,559	1,012	127	47	94
Sturbridge	11,097	11,656	5.0	1,473	949	91	48	113
Sudbury	33,125	34,518	4.2	2,281	1,416	104	114	112
Sunderland	3,829	3,827	–0.1	1,088	571	48	22	122
Sutton	10,328	10,745	4.0	1,464	890	79	11	79
Swampscott	26,100	26,861	2.9	1,964	851	139	138	266
Swansea	17,625	17,992	2.1	1,158	719	93	18	99
Taunton	74,040	80,034	8.1	1,541	712	118	120	146
Templeton	3,890	4,170	7.2	597	238	58	14	69
Tewksbury	43,678	46,198	5.8	1,613	790	114	99	185
Tisbury	10,235	10,402	1.6	3,113	1,376	234	20	279
Tolland	716	592	–17.3	1,995	500	55	64	680
Topsfield	8,471	8,958	5.7	1,469	829	117	38	131
Townsend	8,378	8,843	5.6	983	594	74	18	88
Truro	5,512	5,555	0.8	3,213	1,051	427	58	283
Tyngsborough	14,155	15,251	7.7	1,556	884	97	27	107
Tyringham	683	713	4.4	1,938	893	5	27	426
Upton	5,444	6,187	13.6	1,159	578	104	27	230
Uxbridge	15,025	15,538	3.4	1,409	763	88	22	139
Wakefield	33,979	38,008	11.9	1,535	751	107	92	126
Wales	1,958	1,707	–12.8	1,090	721	14	12	133
Walpole	30,050	32,101	6.8	1,443	879	97	60	96
Waltham	79,367	84,183	6.1	1,471	613	148	139	134
Ware	12,288	13,525	10.1	1,378	783	75	55	144
Wareham	29,686	31,771	7.0	1,626	926	123	10	63
Warren	3,612	3,511	–2.8	778	422	60	28	71
Warwick	890	871	–2.1	1,137	606	22	10	298
Washington	711	848	19.3	1,357	657	1	12	374
Watertown	54,453	56,777	4.3	1,748	579	122	130	195
Wayland	28,422	29,694	4.5	2,466	1,298	113	105	119
Webster	17,732	18,455	4.1	1,147	636	91	17	85
Wellesley	47,364	49,543	4.6	1,848	877	114	109	137
Wellfleet	7,232	7,771	7.5	2,864	1,131	301	139	239
Wendell	1,191	1,176	–1.3	1,230	607	12	9	219
Wenham	5,461	5,697	4.3	1,288	585	147	45	176
W Boylston	8,608	9,481	10.1	1,431	721	91	21	129
W Bridgewater	10,658	10,906	2.3	1,641	890	174	69	64
W Brookfield	2,413	2,520	4.4	696	359	59	13	92
W. Newbury	4,881	5,213	6.8	1,347	652	93	29	139
W Springfield	42,411	44,899	5.9	1,714	751	145	105	232
W Stockbridge	2,552	2,414	–5.4	1,649	1,017	64	20	262
W Tisbury	5,755	6,590	14.5	3,038	2,164	157	40	72
Westborough	30,213	34,361	13.7	2,290	1,193	88	75	147
Westfield	55,785	59,893	7.4	1,595	852	94	93	63
Westford	27,511	29,648	7.8	1,590	913	101	45	139
Westhampton	2,180	2,300	5.5	1,588	881	15	10	203
Westminster	6,751	7,305	8.2	1,113	602	90	37	104
Weston	30,364	31,320	3.1	2,998	1,412	184	178	300
Westport	15,688	15,933	1.6	1,139	663	85	65	55
Westwood	27,563	29,319	6.4	2,267	1,268	134	126	193
Weymouth	64,968	67,676	4.2	1,234	646	111	88	85
Whately	2,578	2,641	2.4	1,820	938	19	18	190
Whitman	12,363	12,891	4.3	938	426	100	85	100
Wilbraham	15,226	16,081	5.6	1,294	737	102	89	72
Williamsburg	2,888	3,008	4.2	1,160	753	30	15	114
Williamstown	8,713	9,132	4.8	1,136	700	71	0	109
Wilmington	35,255	36,786	4.3	1,851	928	116	89	170
Winchendon	13,961	16,229	16.2	1,817	997	75	26	152
Winchester	40,688	42,341	4.1	2,084	832	131	109	221
Windsor	899	978	8.8	1,276	740	17	9	293
Winthrop	22,636	21,613	–4.5	1,249	630	100	85	65
Woburn	61,671	64,034	3.8	1,748	720	135	117	120
Worcester	272,027	285,899	5.1	1,719	942	135	133	70
Worthington	1,315	1,348	2.5	1,114	693	10	13	220
Wrentham	12,566	13,842	10.2	1,377	829	84	71	115
Yarmouth	33,355	33,057	–0.9	1,480	589	136	96	98
State total	9,967,347	10,334,675	3.7	1,696	805	130	99	126

*FY96 data are used for FY97 for Chester and Plympton

Table 3

FY1997 Municipal Spending
➡ *continued from page three*

ments. Three functions had decreases in spending over the seven-year period: health and welfare ($210 million), other public works ($19 million) and other public safety ($10 million).

Table 1 shows the amount of expenditures for each functional category for FY1990, FY1993, FY1995, FY1996 and FY1997. It also shows the percentage change for each function between FY1996 and FY1997 and between FY1990 and FY1997. Note that smaller dollar-value changes had a larger effect on percentage changes for functions with smaller expenditures. For example, the addition of the Public Health Commission in Boston accounted for most of the 157.4 percent increase in the Other category between FY1996 and FY1997 and the 101.7 percent increase between FY1990 and FY1997. A $101 million increase in intergovernmental expenditures resulted in a 44.1 percent increase over seven years, while a $1.5 billion increase in education resulted in a 43.6 percent increase. Spending in 9 out of the 13 general fund functions did not keep up with inflation between FY1990 and FY1997. The functions which decreased, relative to inflation are health and welfare, other public safety, other public works, highways, general government, fire, fixed costs, culture and recreation, debt service. It is interesting to note that while fixed costs accounted for the second largest share of the actual increase in expenditures, the rate of increase was below inflation. *Table 2* shows expenditures adjusted for inflation.

Community Trends

Table 3 shows FY1996 and FY1997 total expenditures for all 351 cities and towns. It also shows per capita expenditures for the total and for education, police, fire and public works. Statewide, per capita general fund expenditures were $1,696. The 12 communities with the highest per capita expenditures were all on the Cape and the Islands, except Rowe in the western part of the state. Rowe has a decommissioned nuclear power plant that significantly increases its tax base. With their high proportion of seasonal properties, Cape and Island towns provide services to a far larger population than just their year-round population resulting in higher per capita expenditures. The amounts for the five highest towns are: Aquinnah (formerly Gay Head), $5,357; Gosnold, $4,956; Nantucket, $4,419; Rowe, $3,794; and Chilmark, $3,739. The towns with the lowest expenditures were those in regional school districts in the central or western parts of the state. State and other aid that goes directly to the regional school districts was not included in these towns' expenses, lowering their expenditures relative to towns not in regional districts. The five lowest are: Royalston, $569; Templeton, $597; Dudley, $597; Spencer, $636 and Athol, $672. ■

written by Stanley Nyberg

Table 2

Total General Fund Expenditure by Function in Constant FY90 Dollars

Massachusetts State Totals (FY96 data are used for Chester and Plympton)

Expenditures	FY90	FY93	FY95	FY96	FY97	Change FY90–FY97	Change FY96–FY97
General Government	456,861,081	393,719,554	400,157,299	418,799,564	430,511,000	–5.8%	2.8%
Police	620,844,165	587,320,590	625,235,780	638,279,547	660,021,590	6.3%	3.4%
Fire	516,595,783	474,820,132	493,054,401	495,795,707	502,294,214	–2.8%	1.3%
Other Public Safety	142,709,003	120,173,327	124,625,345	121,825,988	110,439,193	–22.6%	–9.3%
Education	3,440,838,075	3,306,010,592	3,738,477,365	3,885,420,974	4,073,728,435	18.4%	4.8%
Highways	333,862,310	309,395,600	277,514,071	349,328,278	296,821,245	–11.1%	–15.0%
Other Public Works	426,988,871	354,146,590	346,604,528	331,260,836	338,347,490	–20.8%	2.1%
Health and Welfare	348,983,201	262,142,701	273,685,514	276,486,972	115,077,204	–67.0%	–58.4%
Culture and Recreation	197,075,557	170,458,709	180,291,076	186,346,434	193,700,947	–1.7%	3.9%
Debt Service	522,773,113	494,203,916	482,888,139	497,952,753	514,029,202	–1.7%	3.2%
Fixed costs	986,412,830	1,033,186,354	980,346,184	958,043,647	964,220,108	–2.2%	0.6%
Intergovernmental	229,356,549	277,955,169	273,758,404	266,151,077	274,411,910	19.6%	3.1%
Other	63,874,234	47,512,412	42,771,867	42,537,551	106,981,026	67.5%	151.5%
TOTAL	**8,287,174,772**	**7,831,045,647**	**8,239,409,972**	**8,468,229,327**	**8,580,583,562**	**3.5%**	**1.3%**

Constant FY90 dollars calculated using the State and Local Implicit Price Deflator

DLS UPDATE

Murphy Honored

The Plymouth County Assessors Association (PCAA) presented Property Tax Bureau Counsel Dan Murphy with the Richard Weaver Award at their November 1998 meeting. The plaque reads:

> In appreciation of your Legal Advice and Contribution through the years to all Assessors of the Commonwealth and particularly the assessors of Plymouth County.

Dan has been on the legal staff of the Division of Local Services for 18 years. Although knowledgeable in all aspects of municipal law, he specializes in the classification and taxation of forest, agricultural/horticultural and recreational land (Chapters 61, 61A and 61B).

"The Richard Weaver Award is usually given to an assessor from Plymouth County whose contributions to the field of assessing are above and beyond the usual," according to Mary Quill, outgoing president of the PCAA. "Dan is the first person selected from outside the Association. With all of its cranberry bogs and forest land, Plymouth County has many properties under Chapters 61 and 61A. Dan is always available to answer our questions. At certain times of the year Dan probably talks to at least one Plymouth County assessor per day. He is always pleasant, easy to work with, and has presented numerous workshops to us. We wanted to recognize his contributions and to show our appreciation to him."

Courses for Assessors

Electric Generating Appraisal Course Follow-up — The Division of Local Services' Bureau of Local Assessment (BLA) will be offering one or two Electric Generating Appraisal Course follow-up seminars for individuals who completed Module I, the four-day Appraisal Training Course: Electric Generation, Transmission and Distribution presented in June 1998. The purpose of the seminars is to develop the concepts presented in Module I in greater depth. BLA will solicit questions and issues from prospective students prior to the seminars to allow for the preparation of additional materials as needed. The number of students attending the seminars will be limited. We are tentatively planning to offer these seminars in late winter.

Appraisal Training Course: Electric Generation, Transmission and Distribution — Module I — In addition to real and personal property valuation of electric generation, transmission and distribution facilities, this course will cover binding tax agreements and payment-in-lieu-of tax (PILOT) agreements. Since tax agreements are based upon full and fair cash value, it is important that assessors know the valuation basics of these complex entities. BLA will present this informative course only once this fiscal year. Preference will be given to assessors and assistant assessors in communities hosting existing or potential electric generating plants who were unable to attend last June's courses. The number of students will be limited to 35. This course, which will run from 8:30 a.m. to 5:00 p.m. for four consecutive days, requires a significant commitment from participants. Those attending all four days will receive certificates. Participants in the courses offered last June were enthusiastic in their evaluations.

Appraisal Training Course: Telecommunications —Module II — This new Telecommunications course is being offered for the first time. Module II will cover valuation related matters in the rapidly changing telecommunications industries. Some of the topics to be included in this one day course will be:

- wired facilities — poles and wires, fiber optics, building and switch gear, easements, ground stations, etc.;
- wireless facilities — cellular telephones, towers and satellites;
- taxability issues — intangibles and satellites;
- application of sales information;
- reproduction and replacement costs;
- application of the unit method; and
- income approach analysis;

BLA plans to hold this courses three times in various locations throughout the Commonwealth. Class size will be limited to approximately 35 students in each location to allow for maximum student participation.

There is no charge for these courses. Because attendance is limited, we ask that students verify that they can attend before signing-up. Dates and locations are in the planning stage. If a county assessors association can suggest a good classroom location with space for at least 35 students, we would appreciate your assistance. Please contact Barbara LaVertue at (617) 626-2340.

FY1999 Cherry Sheet Manual

The Division of Local Services has published the FY1999 Cherry Sheet Manual and distributed copies to mayors and selectmen in November. The manual provides an in-depth description of each of the Cherry Sheet programs including funding formulas and statutory citations. Municipal official can request additional copies by contacting Elaine Lombardi at (617) 626-2337. Cherry Sheet program descriptions are also available through the DLS home page on the Internet. See page 8 for the address. ■

Municipal Fiscal Calendar

March 1
DOE: *Notify Communities of Estimated Net School Spending Requirement for the Next Year*

Personal Property Owner: *Submit Form of List*
This is a listing of all personal property filed by the owner with the Assessors each year for the purpose of determining taxes in the next fiscal year.

Non-Profit Organization: *Final Filing Date for 3-ABC Forms*
These must be filed on or before March 1 (this deadline may be extended by the Assessors). In no event should the forms be filed later than 30 days after the tax bill is mailed.

March 31
State Treasurer: *Notification of Quarterly Local Aid Payment on or Before March 31*

Department of Education News

The Department of Education (DOE) has posted an interim advisory memorandum on their website to answer the questions they have been receiving on the school building maintenance spending requirements. The Board of Education is expected to promulgate formal regulations by late winter or early spring. The list of foundation reserve (pothole) grants has also been posted on the website. An adjunct to the Chapter 70 school aid program, pothole grants provide one-time discretionary grants to municipalities and school districts which, because of unusual or unique circumstances, are having difficulty meeting their educational needs. A summary of the proposed governance and financing plan for Essex Agricultural School is also available. See www.doe.mass.edu/schoolfinance. ■

Data Bank Highlight

Information on municipal expenditures for each community since FY87 is available on the Municipal Data Bank web page under *Actual General Fund Expenditures*. There are two types of reports: General fund expenditures by function, which groups expenditures into the 13 categories listed in the tables in the current Focus article, and school versus total general fund expenditures. More detailed information or comparison reports can be requested from the Data Bank staff printed out on hard copy or as Microsoft Excel files which can be sent by e-mail over the Internet.

To obtain Municipal Data Bank information contact Medi Ba, Dora Brown, Debbie DePerri or Stan Nyberg at (617) 626-2300. For technical assistance contact Burt Lewis at (617) 626-2358. The World Wide Web address is listed below. ■

City & Town

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Bernard F. Crowley, Jr., Acting Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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GOVERNMENT DOCUMENTS
COLLECTION

MAR 1 1999

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Qualified Bonds

written by Jean McCarthy

Massachusetts has a unique program to improve the marketability of bonds for municipalities that have marginal credit ratings: the state treasurer pays the debt service directly from the community's local aid, reinforcing the security of the bonds. In recent years, issuers of "Qualified Bonds" have been able to obtain bond insurance that was otherwise not available. These credit enhancements have reduced the cost of borrowing by ¼ to ½ percent. Moody's Investors Service, one of the major national rating agencies, has recently announced a "program" rating of A2 on most issues of Qualified Bonds.

The Emergency Finance Board (EFB) authorizes issuance of these bonds, as provided in Chapter 44A. Qualified bonds can be issued for any legal borrowing purpose. At the end of 1998, 11 cities and two regional school districts had been authorized to sell such bonds, some of them having received several authorizations. The treasurer of the city, town or regional school district files an application, accompanied by a copy of the original vote authorizing the indebtedness, and a copy of the vote of the appropriate executive board granting the treasurer authority to file the application, with the EFB. The EFB then investigates the need for the improvements to be financed from the proceeds of the proposed bonds; the ability of the borrowing entity to provide other essential public improvements and to repay the debt service; the reasonableness of the amounts to be expended; and the amount of the local aid payments likely to be made to the city, town or regional school district. If the EFB is satisfied that the entity filing the application is entitled to issue qualified bonds, the Board adopts a resolution authorizing issuance within 60 days of the application's submission. The Board may require future debt restrictions or other fiscal limitations that it deems necessary as a result of its investigation. These requirements, which are in writing, are binding but may be modified in the future.

Significant savings for communities.

The Department of Revenue's Division of Local Services (DLS) prepares a coverage analysis demonstrating the ratio of the available state aid to all potential deductions from state aid plus the payment of principal and interest due on the Qualified Bond issue in the first full year. This standard financial tool is used by rating agencies and other analysts in evaluating the sale of the bonds. Qualified bonds are then issued by the city, town or school district for not less than 10 nor more than 30 years. Each bond must have language on its face stating that it has been issued pursuant to the Qualified Bond Act. The treasurer must certify the maturity schedule of the debt issue, the interest rate(s), and the debt service payment schedule to the state treasurer within 10 days after the date of issue. The state treasurer pays the principal and interest on the qualified bonds. The payments are automatically withheld from the community's state aid or any other amounts due to the city or town.

The rapid expansion in the use of the Qualified Bond program indicates the efforts of issuers, their financial advisors, the bond counsel, the EFB and DLS are generating significant savings to cities and towns. ■

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LEGAL

in Our Opinion

Q: *A property owner's house abuts a town sewer line and the owner has the opportunity to hook into the system. He has no intention of connecting to the system. Should his home be subject to a sewer assessment?*

A: Yes. A betterment or special assessment is a tax that is permitted where a property within a limited and determinable area receives a special benefit or advantage from the construction of a public improvement, separate and distinct from a general benefit received by the entire community. If parcels abutting or adjacent to the improvement receive the special benefit, all or a portion of the cost of the public improvement may be assessed to those properties.[1] The special benefit, in this instance, is the ability to hook up to the sewer. Betterments and special assessments are assessed on all real properties benefiting by the construction of the improvement. Accordingly, all parcels abutting a sewered street, whether or not they are actual users, are likely subject to the assessment.[2]

The Massachusetts Appeals Court analyzed these statutory provisions in a case where a taxpayer challenged a sewer assessment. The Court examined the language of Chapter 83 Section 15. Citing an earlier case, the Appeals Court noted that three classes benefited from the sewer and were therefore subject to assessment: (1) those with houses who do not wish to hook up to the sewer; (2) those with vacant lots and (3) those with houses who do wish to enter their drains into the sewer. The Court held that "the statute contemplates assessing those remotely benefited as well as those immediately benefited by the sewer."[3] Relying on *Stepan*, we believe the house is subject to the assessment even if the owners do not wish to hook up to the sewer system.

Q: *Would a private school that is exempt from property taxes also be exempt from a betterment or special assessment?*

A: No. The only parcels exempt from betterments and special assessments are (1) those owned by a governmental entity for public purpose,[4] and (2) those properties that could never connect to the system. [Chapter 83 Section 14 states in pertinent part that "no assessment in respect to any such land, which by reason of its grade or level or any other cause cannot be drained into such sewer, shall be made until such incapacity is removed."]

There are no exemption provisions in Chapters 80 and 83 for individuals, or charitable or religious organizations. Years ago, the Supreme Judicial Court ruled that Harvard College was not exempt from an assessment imposed by the board of aldermen of Boston for the widening of Devonshire Street.[5] In another decision the Court also held that the charitable exemption "has been decided to extend only to taxes imposed for the usual public purposes and not to include special assessments for particular benefits."[6] Under the facts presented, the private school would be subject to a betterment or special assessment.

Q: *What is the land of low value procedure?*

A: The land of low value procedure is an alternative collection procedure, available only for parcels with a value of not more than $5,000.[7] Under normal circumstances when taxes are unpaid on a parcel, the collector makes a tax taking to protect the community's lien. The instrument of taking must be recorded or registered at the Registry of Deeds within 60 days of the date of the taking. Such property, called a Tax Title, becomes the responsibility of the city or town treasurer. Ordinarily, the treasurer will pursue foreclosure of the tax title in the Land Court. The land of low value procedure provides a less expensive, more convenient alternative.

Under this expedited statutory procedure, the treasurer files a written application, at least 90 days after the tax taking, with the Commissioner of Revenue. The Commissioner must be of the opinion that the parcel's value does not exceed $5,000. If proper evidence has been presented, the Commissioner will issue an affidavit which authorizes the treasurer to foreclose through a public auction. The affidavit will be recorded or registered by the treasurer at the Registry of Deeds. By statute, the treasurer must post and publish notice at least 14 days in advance of the auction. Although not required by law, it is recommended that the treasurer also notify interested parties such as the owner, mortgagee or attaching creditors, by certified mail at least 14 days prior to the auction. The treasurer acts as the auctioneer at the appointed time and place. Although the statute is silent as to minimum bid, the Department has recommended that the bidding begin at the amount due for the redemption of the tax title. A successful bidder must make full payment, including recording fees, within 10 days. If no bid is accepted, the treasurer prepares and records a deed to the municipality for this tax possession parcel. ■

compiled by James Crowley

1. *Union Street Railway Company v. Mayor of New Bedford*, 253 Mass. 304 (1925).
2. M.G.L. Ch.83 Secs. 14 & 15.
3. *Stepan Chemical Company v. Town of Wilmington*, 8 Mass. App. 870 (1979).
4. *Worcester County v. Worcester*, 116 Mass. 193 (1874).
5. *Harvard College v. Aldermen of Boston*, 104 Mass. 470 (1870).
6. *Williams College v. Williamstown*, 219 Mass. 46 (1914).
7. M.G.L. Ch.60 Secs. 79–80C.

Focus on Municipal Finance

Stabilization Funds

This month *City & Town* looks at stabilization funds over the ten-year period from FY1987 to FY1997. The article describes stabilization funds as a percent of the total budget and discusses which communities have consistently maintained a high percentage of their total budgets in stabilization funds. Some communities have no stabilization fund either by choice or by economics, and other communities have less than .1 percent of their budget in their stabilization fund.

Generally, communities may not retain funds from year to year without specific legislative authority. In addition to stabilization funds, communities may retain funds in enterprise funds and in certain specific instances, such as ambulance fees, may have receipts reserved for appropriation. Another way of saving money is free cash. Some cities and towns budget conservatively to provide extra money in their operating budgets which will eventually become free cash. Free cash may be spent after certification by the Director of Accounts with a simple majority vote of the legislative body.

The stabilization fund is a mechanism for setting aside money either for unforeseen needs or for capital projects. A fund equalizes the effect of capital expenditures over time, as capital appropriations can change considerably from year to year. For other needs, it provides a "rainy day" fund. The balance in the fund will build up during years when revenues are strong and expenditures are low. During years with high capital expenditures or lower than expected revenues, the community can transfer money from the fund to reduce the impact on the tax rate or the amount of borrowing required.

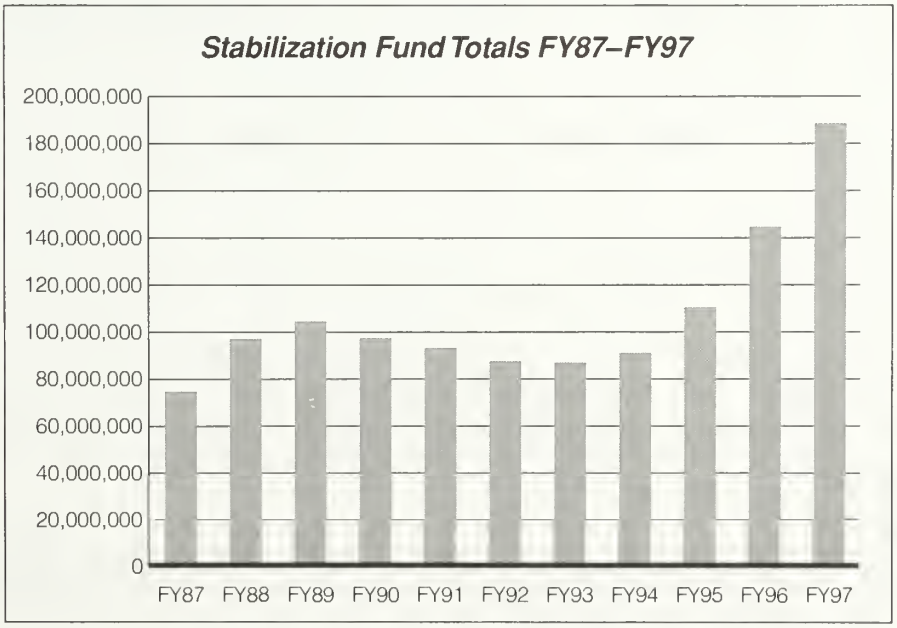
A community may appropriate up to 10 percent of the previous year's tax levy into the fund, as long as the balance in the stabilization fund does not exceed 10 percent of the community's equalized valuation. Interest earned on any fund balance is retained as part of the fund. A majority vote by the community's legislative body (town meeting or city or town council) is required to appropriate funds into the stabilization fund. Two thirds of the same body must vote to appropriate money out of stabilization funds.

In 1991, the uses of stabilization funds were expanded to include "any lawful municipal purpose" enabling communities to use these funds for general operating expenses if needed.[1] Prior to that time stabilization funds could only be used to finance capital expenditures for which a community could borrow.[2] The change in potential uses for stabilization funds coincided with a downturn in the economy, making an analysis of the impact of the change difficult at the time it occurred. With the ten-year perspective, however, it seems clear that economic conditions have impacted stabilization fund balances far more than the liberalization of proposed uses.

Mirroring the local economy, stabilization funds increased from FY1987 through FY1989 then decreased until FY1992. *Figure 1* shows the yearly totals from FY1987 to FY1997. The decrease in funds beginning in FY1990 may indicate that because of the difficult fiscal situation at the local level caused by the decline in state aid coupled with decreased local revenues during the recession of the early nineties, communities appropriated fewer dollars into stabilization funds while at the same time drawing from those funds for capital projects and other needs. As the economy improved, stabilization funds increased slowly in FY1993 and continued to increase through FY1997. From FY1993 to FY1997 stabilization funds increased by 113.5 percent.

continued on page six ➡

Figure 1



Stabilization Funds as a Percent of Budget in FY1993, FY1995 and FY1997

Municipality	FY1993 Total Budget*	FY1993 Stb. Fund*	FY1993 Pct. of Budg.	FY1995 Total Budget*	FY1995 Stb. Fund*	FY1995 Pct. of Budg.	FY1997 Total Budget*	FY1997 Stb. Fund*	FY1997 Pct. of Budg.
Abington	20,344	140	0.7	22,998	116	0.5	23,572	64	0.3
Acton	31,636	281	0.9	33,974	375	1.1	39,445	315	0.8
Acushnet	9,189	89	1.0	11,032	240	2.2	13,431	273	2.0
Adams	7,896	1,897	24.0	8,308	1,996	24.0	9,058	2,192	24.2
Agawam	34,625	609	1.8	36,886	660	1.8	43,396	1,471	3.4
Alford	690	45	6.5	705	47	6.7	782	79	10.1
Amesbury	40,232	2	0.0	26,191	2	0.0	30,050	2	0.0
Amherst	34,613	766	2.2	37,583	496	1.3	42,605	2,004	4.7
Andover	57,291	975	1.7	64,894	1,199	1.9	74,788	1,468	2.0
Arlington	68,241	543	0.8	71,058	846	1.2	74,762	1,321	1.8
Ashburnham	5,224	105	2.0	6,309	25	0.4	6,256	5	0.1
Ashby	2,441	0	0.0	2,614	1	0.0	3,473	51	1.5
Ashfield	1,662	139	8.4	1,831	120	6.6	2,376	78	3.3
Ashland	19,012	3	0.0	21,098	4	0.0	23,691	4	0.0
Athol	8,533	113	1.3	7,824	126	1.6	8,971	256	2.9
Attleboro	48,417	0	0.0	56,225	0	0.0	67,766	211	0.3
Auburn	19,542	6	0.0	21,214	6	0.0	24,155	7	0.0
Avon	7,984	6	0.1	8,385	6	0.1	9,037	44	0.5
Ayer	15,272	61	0.4	16,241	65	0.4	17,270	181	1.1
Barnstable	68,577	641	0.9	74,915	686	0.9	93,344	411	0.4
Barre	4,468	317	7.1	4,726	312	6.6	5,799	281	4.9
Becket	2,210	191	8.6	2,543	163	6.4	2,756	96	3.5
Bedford	31,190	197	0.6	32,115	2	0.0	36,082	794	2.2
Belchertown	13,088	101	0.8	15,292	273	1.8	22,257	758	3.4
Bellingham	21,197	2	0.0	25,054	510	2.0	28,060	1,704	6.1
Belmont	47,159	0	0.0	49,562	141	0.3	55,134	292	0.5
Berkley	5,087	54	1.1	6,093	11	0.2	7,371	113	1.5
Berlin	2,708	82	3.0	3,362	39	1.2	4,448	639	14.4
Bernardston	1,985	51	2.6	2,010	32	1.6	2,181	9	0.4
Beverly	58,315	0	0.0	63,644	0	0.0	68,473	0	0.0
Billerica	57,567	0	0.0	63,583	466	0.7	72,602	1,083	1.5
Blackstone	6,099	160	2.6	7,298	228	3.1	7,939	420	5.3
Blandford	1,198	14	1.2	1,312	15	1.1	1,411	18	1.3
Bolton	4,697	0	0.0	5,822	0	0.0	7,457	0	0.0
Boston	1,376,056	0	0.0	1,477,269	0	0.0	1,423,911	0	0.0
Bourne	23,658	139	0.6	25,745	230	0.9	28,037	378	1.4
Boxborough	6,191	60	1.0	7,238	73	1.0	8,385	131	1.6
Boxford	9,709	251	2.6	11,306	268	2.4	14,459	254	1.8
Boylston	4,893	185	3.8	4,918	208	4.2	5,558	313	5.6
Braintree	57,592	1,154	2.0	65,596	809	1.2	68,930	1,109	1.6
Brewster	19,071	690	3.6	21,740	2,463	11.3	22,566	2,195	9.7
Bridgewater	20,431	2	0.0	20,746	110	0.5	24,655	504	2.1
Brimfield	3,472	54	1.6	4,599	169	3.7	5,524	617	11.2
Brockton	141,093	5	0.0	162,027	875	0.5	190,996	2,111	1.1
Brookfield	3,143	215	6.8	4,179	244	5.8	4,873	469	9.6
Brookline	106,896	4	0.0	118,990	5	0.0	128,885	5	0.0
Buckland	2,005	40	2.0	2,100	30	1.4	2,408	22	0.9
Burlington	49,809	74	0.2	55,169	13	0.0	57,565	14	0.0
Cambridge	319,830	4.476	1.4	342,208	7.700	2.3	280,198	7,095	2.5
Canton	34,284	157	0.5	36,469	215	0.6	41,945	253	0.6
Carlisle	8,904	37	0.4	10,169	6	0.1	11,334	6	0.1
Carver	13,335	2	0.0	17,995	133	0.7	21,087	419	2.0
Charlemont	1,405	143	10.2	1,380	56	4.0	1,704	111	6.5
Charlton	6,756	7	0.1	7,853	23	0.3	9,119	142	1.6
Chatham	17,157	23	0.1	20,818	25	0.1	20,915	90	0.4
Chelmsford	49,141	364	0.7	53,507	1,352	2.5	58,352	2,744	4.7
Chelsea	53,086	0	0.0	69,277	0	0.0	76,400	340	0.5
Cheshire	2,317	82	3.6	2,325	90	3.9	2,948	96	3.3
Chester	1,204	46	3.8	1,246	49	4.0	1,421	0	0.0
Chesterfield	1,247	18	1.5	1,290	30	2.4	1,551	39	2.5
Chicopee	71,331	29	0.0	78,400	31	0.0	88,977	4	0.0
Chilmark	2,494	150	6.0	2,878	214	7.4	3,354	435	13.0
Clarksburg	1,792	17	1.0	1,997	39	2.0	2,232	155	7.0
Clinton	15,215	955	6.3	17,553	415	2.4	19,364	459	2.4
Cohasset	14,936	38	0.3	16,295	111	0.7	18,487	306	1.7
Colrain	1,736	81	4.7	1,805	35	1.9	2,061	92	4.5
Concord	30,763	2	0.0	33,186	2	0.0	37,286	2	0.0
Conway	2,375	204	8.6	2,517	217	8.6	3,273	241	7.4
Cummington	1,173	101	8.6	1,156	136	11.8	1,294	160	12.4
Dalton	7,399	211	2.9	7,677	236	3.1	8,768	462	5.3
Danvers	46,401	317	0.7	48,920	51	0.1	53,473	408	0.8
Dartmouth	31,757	262	0.8	42,190	726	1.7	41,313	1,090	2.6
Dedham	37,949	272	0.7	40,595	53	0.1	44,842	192	0.4
Deerfield	6,679	1,021	15.3	6,659	870	13.1	8,922	720	8.1
Dennis	22,220	0	0.0	23,692	0	0.0	25,444	0	0.0
Dighton	5,686	19	0.3	6,121	11	0.2	6,950	333	4.8
Douglas	7,378	2	0.0	8,337	2	0.0	10,804	601	5.6
Dover	10,486	322	3.1	11,421	359	3.1	12,547	400	3.2
Dracut	27,567	237	0.9	31,035	139	0.5	38,935	970	2.5
Dudley	6,450	2	0.0	6,874	0	0.0	8,193	53	0.6
Dunstable	2,614	110	4.2	2,954	112	3.8	3,640	126	3.5
Duxbury	26,631	526	2.0	29,218	470	1.6	33,271	729	2.2
E. Bridgewater	17,760	0	0.0	19,681	30	0.2	21,930	564	2.6
E. Brookfield	1,488	469	31.5	1,693	495	29.3	2,085	439	21.1
E. Longmeadow	20,497	254	1.2	22,395	537	2.4	26,252	252	1.0
Eastham	10,044	104	1.0	10,830	5	0.1	11,956	5	0.1
Easthampton	18,992	0	0.0	21,395	50	0.2	22,958	257	1.1
Easton	25,496	312	1.2	29,438	405	1.4	33,339	207	0.6
Edgartown	10,479	138	1.3	11,878	76	0.6	14,268	13	0.1
Egremont	2,147	11	0.5	2,272	0	0.0	2,256	0	0.0
Erving	3,658	451	12.3	3,818	411	10.8	3,970	559	14.1
Essex	4,397	237	5.4	4,856	108	2.2	5,947	135	2.3
Everett	61,013	0	0.0	66,865	1,001	1.5	73,612	12	0.0
Fairhaven	21,328	8	0.0	24,135	16	0.1	25,962	1,622	6.3
Fall River	125,146	473	0.4	133,825	257	0.2	150,347	48	0.0
Falmouth	49,786	187	0.4	54,418	381	0.7	60,359	785	1.3
Fitchburg	50,124	0	0.0	58,216	0	0.0	68,316	0	0.0
Florida	1,214	11	0.9	1,609	6	0.4	1,710	70	4.1
Foxborough	22,333	1,794	8.0	27,054	1,639	6.1	30,383	1,662	5.5
Framingham	104,894	3,172	3.0	115,797	3,381	2.9	134,198	3,938	2.9
Franklin	30,947	135	0.4	37,611	1,035	2.8	50,746	1,339	2.6
Freetown	8,163	2	0.0	9,435	164	1.7	11,997	85	0.7
Gardner	22,694	0	0.0	27,161	0	0.0	32,609	472	1.5
Gay Head	1,278	0	0.0	1,380	0	0.0	1,478	0	0.0
Georgetown	8,646	67	0.8	9,927	4	0.0	12,709	1,282	10.1
Gill	1,224	67	5.5	1,372	116	8.5	1,447	97	6.7
Gloucester	46,477	0	0.0	49,647	1,228	2.5	57,493	2,257	3.9
Goshen	1,172	145	12.4	1,257	111	8.8	1,321	119	9.0
Gosnold	684	139	20.3	761	214	28.1	635	248	39.0
Grafton	15,460	813	5.3	17,158	751	4.4	19,250	784	4.1
Granby	6,705	124	1.9	7,246	135	1.9	7,988	150	1.9
Granville	2,284	86	3.8	2,383	62	2.6	2,560	69	2.7
Grt. Barrington	10,513	957	9.1	11,340	1,164	10.3	13,712	311	2.3
Greenfield	25,252	5	0.0	26,842	6	0.0	31,364	129	0.4
Groton	10,718	30	0.3	11,766	85	0.7	13,744	219	1.6
Groveland	6,306	44	0.7	6,478	47	0.7	7,509	82	1.1
Hadley	5,485	401	7.3	6,041	256	4.2	8,153	549	6.7
Halifax	7,919	231	2.9	9,074	156	1.7	11,159	714	6.4
Hamilton	10,432	310	3.0	11,174	213	1.9	12,450	286	2.3
Hampden	5,704	0	0.0	5,469	0	0.0	5,851	105	1.8
Hancock	926	34	3.7	885	5	0.5	1,016	5	0.5
Hanover	20,365	205	1.0	22,706	349	1.5	26,378	516	2.0
Hanson	11,763	66	0.6	11,389	107	0.9	11,702	241	2.1
Hardwick	2,472	272	11.0	2,564	314	12.3	3,098	537	17.3
Harvard	9,613	564	5.9	10,737	711	6.6	11,457	852	7.4
Harwich	22,732	848	3.7	25,356	913	3.6	27,761	1,017	3.7
Hatfield	4,569	314	6.9	4,653	177	3.8	6,098	307	5.0
Haverhill	112,711	0	0.0	122,261	0	0.0	136,140	100	0.1
Hawley	420	26	6.2	481	39	8.2	510	43	8.4
Heath	1,012	109	10.8	1,184	129	10.9	1,285	142	11.1
Hingham	35,746	12	0.0	37,030	5	0.0	44,500	5	0.0
Hinsdale	2,225	138	6.2	2,271	192	8.5	2,349	452	19.2
Holbrook	16,634	255	1.5	17,389	33	0.2	18,661	262	1.4
Holden	18,246	59	0.3	19,226	845	4.4	20,765	1,192	5.7
Holland	2,356	38	1.6	3,126	41	1.3	3,457	83	2.4
Holliston	18,792	379	2.0	21,559	385	1.8	24,650	691	2.8
Holyoke	73,733	0	0.0	84,032	0	0.0	101,408	3,651	3.6
Hopedale	7,409	232	3.1	8,479	500	5.9	10,563	522	5.0
Hopkinton	16,054	179	1.1	20,395	701	3.4	23,891	1,036	4.3
Hubbardston	2,811	309	11.0	3,228	367	11.4	3,495	430	12.3
Hudson	26,281	253	1.0	30,182	487	1.6	32,504	849	2.6
Hull	18,482	4	0.0	19,635	4	0.0	22,952	224	1.0
Huntington	1,992	49	2.5	2,065	105	5.1	2,168	201	9.3
Ipswich	17,574	42	0.2	19,817	239	1.2	22,002	623	2.8
Kingston	11,813	114	1.0	14,556	985	6.8	19,100	1,390	7.3
Lakeville	8,275	6	0.1	10,547	6	0.1	13,472	260	1.9
Lancaster	7,578	127	1.7	5,932	203	3.4	6,781	136	2.0
Lanesborough	4,307	50	1.2	4,728	102	2.2	5,177	408	7.9
Lawrence	104,916	0	0.0	121,614	0	0.0	145,146	0	0.0
Lee	9,137	121	1.3	9,761	7	0.1	10,444	7	0.1
Leicester	11,097	159	1.4	13,396	108	0.8	16,206	406	2.5
Lenox	9,848	340	3.5	11,655	1,706	14.6	13,220	1,836	13.9
Leominster	47,168	0	0.0	54,964	0	0.0	69,330	486	0.7
Leverett	2,054	180	8.8	2,378	154	6.5	2,649	201	7.6
Lexington	67,948	7	0.0	73,930	0	0.0	82,762	0	0.0
Leyden	747	0	0.0	829	20	2.4	858	38	4.4
Lincoln	13,805	4	0.0	14,949	216	1.5	17,091	418	2.4
Littleton	13,201	221	1.7	13,884	349	2.5	15,767	944	6.0
Longmeadow	26,594	365	1.4	29,185	21	0.1	32,404	315	1.0
Lowell	147,669	1	0.0	172,956	1	0.0	206,164	1	0.0
Ludlow	27,386	1,568	5.7	28,596	28	0.1	31,171	567	1.8
Lunenburg	10,329	90	0.9	11,725	113	1.0	14,082	313	2.2
Lynn	119,871	0	0.0	134,352	0	0.0	151,402	0	0.0
Lynnfield	16,969	6	0.0	18,730	735	3.9	20,153	1,030	5.1
Malden	72,597	0	0.0	78,894	0	0.0	84,091	0	0.0
Manchester	9,877	1	0.0	11,412	27	0.2	13,442	178	1.3
Mansfield	30,371	44	0.2	35,062	47	0.1	41,199	1,202	2.9
Marblehead	32,935	0	0.0	35,388	0	0.0	40,310	0	0.0
Marion	8,046	240	3.0	8,942	263	2.9	9,910	296	3.0
Marlborough	54,501	60	0.1	58,497	31	0.1	65,696	35	0.1
Marshfield	35,572	44	0.1	38,846	523	1.4	44,259	1,685	3.8
Mashpee	19,540	278	1.4	21,197	1,203	5.7	26,310	2,088	7.9
Mattapoisett	8,896	105	1.2	9,952	216	2.2	11,428	82	0.7
Maynard	16,158	436	2.7	17,323	363	2.1	18,035	290	1.6
Medfield	16,425	150	0.9	19,553	207	1.1	23,163	232	1.0
Medford	81,887	27	0.0	84,202	15	0.0	90,375	0	0.0
Medway	15,365	208	1.4	17,477	183	1.1	21,049	380	1.8
Melrose	41,882	1	0.0	44,492	0	0.0	46,536	96	0.2
Mendon	4,035	25	0.6	4,459	66	1.5	5,193	695	13.4
Merrimac	6,141	22	0.4	6,733	160	2.4	7,369	276	3.7

Municipality	FY1993 Total Budget*	Stb. Fund*	Pct. ot Budg.	FY1995 Total Budget*	Stb. Fund*	Pct. ot Budg.	FY1997 Total Budget*	Stb. Fund*	Pct. ot Budg.
Methuen	55,065	2	0.0	59,544	14	0.0	67,999	1,016	1.5
Middleborough	27,407	4	0.0	31,576	4	0.0	35,908	130	0.4
Middlefield	554	34	6.0	553	41	7.4	629	41	6.5
Middleton	7,622	51	0.7	8,641	29	0.3	10,530	154	1.5
Milford	36,611	2,797	7.6	40,521	3,754	9.3	46,329	4,058	8.8
Millbury	14,530	667	4.6	15,686	774	4.9	17,305	698	4.0
Millis	11,993	471	3.9	12,936	246	1.9	13,873	268	1.9
Millville	2,295	124	5.4	2,521	144	5.7	2,780	451	16.2
Milton	39,460	0	0.0	41,999	0	0.0	48,361	500	1.0
Monroe	360	39	10.8	421	64	15.2	458	57	12.5
Monson	10,840	143	1.3	12,224	258	2.1	14,208	393	2.8
Montague	8,954	203	2.3	9,130	200	2.2	9,904	143	1.5
Monterey	1,441	153	10.6	1,624	202	12.4	1,757	63	3.6
Montgomery	824	80	9.7	931	155	16.6	977	181	18.5
Mt. Washington	386	23	6.0	302	20	6.5	336	20	6.1
Nahant	6,265	4	0.1	6,530	5	0.1	7,024	5	0.1
Nantucket	35,560	398	1.1	38,916	420	1.1	46,831	730	1.6
Natick	49,382	1,064	2.2	55,705	17	0.0	62,735	2,510	4.0
Needham	53,492	917	1.7	57,885	837	1.5	64,557	1,067	1.7
New Ashford	247	18	7.5	269	21	7.6	377	24	6.3
New Bedford	136,741	2,755	2.0	160,106	0	0.0	178,997	0	0.0
New Braintree	728	13	1.8	832	6	0.8	1,197	147	12.3
New Marlborough	1,915	51	2.7	2,161	88	4.1	2,371	47	2.0
New Salem	1,021	10	1.0	1,189	52	4.4	1,228	88	7.2
Newbury	7,231	209	2.9	8,459	243	2.9	9,032	171	1.9
Newburyport	26,283	0	0.0	28,270	5	0.0	30,789	15	0.1
Newton	162,494	162	0.1	178,793	0	0.0	199,053	0	0.0
Norfolk	11,002	326	3.0	14,976	604	4.0	15,634	467	3.0
N. Adams	20,191	146	0.7	24,183	13	0.1	29,179	83	0.3
N. Andover	31,934	2	0.0	36,075	3	0.0	42,018	3	0.0
N. Attleborough	31,142	398	1.3	36,675	1,257	3.4	44,029	4,935	11.2
N. Brookfield	5,810	0	0.0	6,723	0	0.0	7,756	70	0.9
N. Reading	21,635	370	1.7	27,643	434	1.6	28,668	816	2.8
Northampton	42,645	745	1.8	45,265	169	0.4	49,490	0	0.0
Northborough	17,249	71	0.4	19,396	614	3.2	22,062	1,101	5.0
Northbridge	13,878	18	0.1	16,235	91	0.6	20,536	437	2.1
Northfield	3,195	144	4.5	3,329	132	4.0	3,509	93	2.7
Norton	19,633	30	0.2	22,403	226	1.0	28,290	1,512	5.3
Norwell	17,186	4	0.0	18,033	5	0.0	21,460	118	0.6
Norwood	76,825	1,620	2.1	80,171	394	0.5	82,218	205	0.3
Oak Bluffs	8,196	203	2.5	10,783	79	0.7	13,498	411	3.1
Oakham	1,277	92	7.2	1,276	145	11.4	1,827	114	6.2
Orange	9,167	36	0.4	10,613	56	0.5	12,641	447	3.5
Orleans	15,600	385	2.5	15,290	443	2.9	16,705	682	4 1
Otis	2,430	180	7.4	2,529	179	7.1	2,360	491	20.8
Oxford	14,622	268	1.8	15,845	45	0.3	18,405	248	1.4
Palmer	17,145	14	0.1	19,806	15	0.1	21,496	16	0.1
Paxton	4,321	10	0.2	4,658	14	0.3	5,260	47	0.9
Peabody	72,047	5,190	7.2	83,116	5,492	6.6	89,281	5,358	6.0
Pelham	1,633	120	7.4	1,854	126	6.8	2,063	151	7.3
Pembroke	18,793	1	0.0	21,800	34	0.2	25,473	294	1.2
Pepperell	9,534	638	6.7	10,803	632	5.9	12,424	637	5.1
Peru	864	88	10.1	888	73	8.3	1,009	84	8.3
Petersham	1,295	18	1.4	1,398	44	3.2	1,816	42	2.3
Phillipston	972	63	6.5	1,072	75	7.0	1,317	101	7.7
Pittsfield	68,664	0	0.0	72,265	315	0.4	78,784	347	0.4
Plainfield	746	47	6.3	820	45	5.5	1,063	58	5.5
Plainville	8,401	431	5.1	9,987	482	4.8	10,263	486	4.7
Plymouth	72,733	521	0.7	89,106	2,549	2.9	102,085	9,577	9.4
Plympton	2,945	63	2.1	3,669	120	3.3	4,010	0	0.0
Princeton	4,840	100	2.1	5,006	111	2.2	5,115	11	0.2
Provincetown	13,441	245	1.8	14,378	554	3.9	16,132	22	0.1
Quincy	137,510	0	0.0	148,264	0	0.0	161,451	1,081	0.7
Randolph	40,184	795	2.0	42,024	700	1.7	47,173	493	1.0
Raynham	11,440	4	0.0	11,620	240	2.1	13,273	804	6.1
Reading	35,450	0	0.0	41,618	0	0.0	47,115	0	0.0
Rehoboth	8,715	634	7.3	9,005	54	0.6	10,208	2	0.0
Revere	62,200	0	0.0	67,382	0	0.0	74,603	0	0.0
Richmond	2,503	98	3.9	2,927	182	6.2	3,342	212	6.3
Rochester	6,271	51	0.8	7,311	86	1.2	8,531	385	4.5
Rockland	23,228	0	0.0	25,999	0	0.0	30,874	3	0.0
Rockport	13,940	271	2.0	15,413	239	1.6	18,145	298	1.6
Rowe	2,275	538	23.7	1,834	326	17.8	2,639	1,122	42.5
Rowley	6,119	50	0.8	6,406	34	0.5	7,416	58	0.8
Royalston	902	54	6.0	930	93	10.0	979	152	15.6
Russell	1,626	63	3.9	2,510	152	6.1	2,352	259	11.0
Rutland	5,484	369	6.7	5,782	341	5.9	6,834	1,153	16.9
Salem	63,341	453	0.7	71,486	453	0.6	74,827	508	0.7
Salisbury	10,276	0	0.0	10,150	0	0.0	10,885	0	0.0
Sandisfield	1,287	56	4.4	1,244	251	20.2	1,344	198	14.7
Sandwich	27,008	997	3.7	28,687	823	2.9	33,691	921	2.7
Saugus	38,862	596	1.5	41,155	667	1.6	45,109	736	1.6
Savoy	814	0	0.0	1,068	33	3.1	1,042	111	10.7
Scituate	27,043	393	1.5	29,096	524	1.8	33,486	883	2.6
Seekonk	17,560	241	1.4	20,971	176	0.8	22,855	168	0.7
Sharon	25,613	4	0.0	28,675	4	0.0	32,970	5	0.0
Sheffield	4,479	224	5.0	5,095	143	2.8	4,695	388	8.3
Shelburne	2,199	4	0.2	2,124	25	1.2	2,418	306	12.7
Sherborn	8,829	99	1.1	9,989	100	1.0	11,043	122	1.1
Shirley	5,407	6	0.1	6,573	2	0.0	7,496	394	5.3
Shrewsbury	33,439	53	0.2	38,521	60	0.2	43,357	0	0.0
Shutesbury	2,071	42	2.1	2,571	8	0.3	3,314	9	0.3
Somerset	27,818	4,330	15.6	31,208	4,225	13.5	34,168	4,671	13.7
Somerville	102,914	350	0.3	110,954	421	0.4	120,719	318	0.3
S. Hadley	19,349	291	1.5	20,979	260	1.2	24,098	642	2.7
Southampton	5,110	289	5.7	6,045	267	4 4	7,583	293	3.9
Southborough	11,900	507	4.3	14,102	1,198	8.5	15,459	1,982	12.8
Southbridge	24,822	1	0.0	27,057	192	0.7	29,132	291	1.0
Southwick	7,415	1,993	26.9	8,685	1,886	21.7	9,893	2,125	21.5
Spencer	7,649	3	0.0	8,626	147	1.7	9,630	44	0.5
Springfield	314,737	0	0.0	347,071	0	0.0	321,232	0	0.0
Sterling	7,842	7	0.1	8,247	8	0.1	9,656	584	6.1
Stockbridge	4,255	1,062	25.0	4,306	1,100	25.5	5,679	823	14.5
Stoneham	33,040	2	0.0	36,383	3	0.0	40,757	647	1.6
Stoughton	40,221	3	0.0	43,531	3	0.0	48,552	3	0.0
Stow	8,400	274	3.3	8,727	217	2.5	10,066	461	4.6
Sturbridge	11,159	139	1.2	12,292	213	1.7	13,593	250	1.8
Sudbury	28,750	278	1.0	32,689	321	1.0	37,496	353	0.9
Sunderland	3,662	112	3.1	3,813	156	4.1	4,231	142	3.4
Sutton	10,308	19	0.2	11,317	215	1.9	12,393	152	1.2
Swampscott	24,767	200	0.8	27,112	34	0.1	28,485	49	0.2
Swansea	18,200	0	0.0	18,855	0	0.0	20,278	0	0.0
Taunton	76,386	290	0.4	85,057	97	0.1	98,132	64	0.1
Templeton	4,810	59	1.2	4,631	40	0.9	6,949	78	1.1
Tewksbury	38,985	3	0.0	45,251	104	0.2	50,460	568	1.1
Tisbury	9,756	635	6.5	10,730	719	6.7	12,926	1,626	12.6
Tolland	541	1	0.1	488	1	0.1	541	1	0.1
Topsfield	8,418	332	4.0	9,638	200	2.1	10,679	223	2.1
Townsend	7,758	127	1.6	8,801	270	3.1	9,696	513	5.3
Truro	4,817	3	0.1	5,640	110	2.0	6,183	124	2.0
Tyngsborough	12,370	350	2.8	14,995	22	0.1	17,814	596	3.4
Tyringham	671	17	2.6	798	60	7.5	860	60	7.0
Upton	5,727	163	2.9	5,297	226	4.3	6,857	221	3.2
Uxbridge	12,170	61	0.5	14,322	255	1.8	17,541	627	3.6
Wakefield	40,186	0	0.0	44,833	837	1.9	47,076	2,246	4.8
Wales	1,707	13	0.8	2,258	6	0.3	2,293	189	8.3
Walpole	30,980	254	0.8	34,983	46	0.1	39,494	51	0.1
Waltham	94,388	75	0.1	104,304	71	0.1	115,544	2,481	2.2
Ware	10,605	29	0.3	12,375	57	0.5	14,663	475	3.2
Wareham	29,027	10	0.0	33,027	94	0.3	37,472	225	0.6
Warren	4,220	590	14.0	4,087	597	14.6	5,181	672	13.0
Warwick	914	68	7.5	881	80	9.1	990	87	8.8
Washington	617	143	23.2	815	54	6.6	771	51	6.6
Watertown	52,711	105	0.2	54,895	707	1.3	60,253	773	1.3
Wayland	27,824	97	0.4	31,965	105	0.3	34,288	117	0.3
Webster	19,948	0	0.0	21,004	0	0.0	25,088	549	2.2
Wellesley	44,944	1,071	2.4	50,114	1,682	3.4	54,528	1,554	2.9
Wellfleet	7,436	42	0.6	7,846	45	0.6	9,093	50	0.6
Wendell	1,231	110	8.9	1,226	157	12.8	1,298	206	15.8
Wenham	5,218	91	1.8	5,785	133	2.3	6,621	26	0.4
W. Boylston	7,591	58	0.8	8,892	46	0.5	11,705	1,477	12.6
W. Bridgewater	10,192	15	0.2	11,369	0	0.0	13,708	348	2.5
W. Brookfield	3,361	399	11.9	3,393	400	11.8	4,761	760	16.0
W. Newbury	5,516	49	0.9	6,062	288	4.8	6,944	391	5.6
W. Springfield	39,636	0	0.0	42,672	0	0.0	48,968	391	0.8
W. Stockbridge	2,342	177	7.6	2,488	179	7.2	2,779	269	9.7
W. Tisbury	4,865	19	0.4	5,612	26	0.5	7,063	59	0.8
Westborough	29,192	369	1.3	31,462	409	1.3	39,727	586	1.5
Westfield	53,784	54	0.1	61,564	481	0.8	74,101	2,955	4.0
Westford	26,647	50	0.2	30,245	132	0.4	36,285	604	1.7
Westhampton	1,894	72	3.8	2,037	49	2.4	2,661	47	1.8
Westminster	6,116	48	0.8	7,670	630	8.2	9,214	1,048	11.4
Weston	27,118	8	0.0	30,270	8	0.0	34,931	9	0.0
Westport	15,447	32	0.2	16,174	66	0.4	17,886	274	1.5
Westwood	29,022	231	0.8	30,927	3	0.0	34,282	4	0.0
Weymouth	72,841	0	0.0	79,331	0	0.0	87,573	183	0.2
Whately	2,650	213	8.1	2,517	234	9.3	2,779	221	7.9
Whitman	16,982	96	0.6	16,179	149	0.9	17,006	319	1.9
Wilbraham	16,248	2	0.0	17,546	83	0.5	18,599	397	2.1
Williamsburg	2,716	100	3.7	3,228	89	2.8	3,392	105	3.1
Williamstown	9,895	165	1.7	10,725	80	0.8	12,124	89	0.7
Wilmington	33,773	0	0.0	35,839	0	0.0	38,833	0	0.0
Winchendon	10,433	278	2.7	13,910	278	2.0	18,186	352	1.9
Winchester	36,566	0	0.0	40,653	288	0.7	44,950	216	0.5
Windsor	979	173	17.7	1,016	182	17.9	1,027	188	18.3
Winthrop	23,479	0	0.0	24,155	0	0.0	27,252	26	0.1
Woburn	60,950	0	0.0	64,813	0	0.0	70,172	0	0.0
Worcester	260,862	0	0.0	292,604	1,680	0.6	334,401	0	0.0
Worthington	1,280	48	3.8	1,297	40	3.1	1,683	130	7.8
Wrentham	11,747	424	3.6	14,189	898	6.3	17,640	1,092	6.2
Yarmouth	39,823	508	1.3	41,475	538	1.3	45,789	801	1.8

*Total Budget and Stabilization Fund amounts denoted in thousands of dollars.

Total	FY1993	FY1995	FY1997
Budget (in 000s)	9,929,219	10,936,372	11,951,636
Stb. fund (in 000s)	88,526	111,644	189,010
Pct. of budget	.09	1.0	1.6

Table 1

Stabilization Funds
➡ *continued from page three*

Table 1 lists all 351 cities and towns and shows their total budgets, the total in stabilization funds, and the stabilization funds as a percent of their budgets for FY1993, FY1995 and FY1997. Statewide in FY1993, 85 communities either had no stabilization fund or had a balance of less than .1 percent of their total budgets. In FY1995, 66 communities were in that category and by FY1997 only 44 communities did not have stabilization funds equal to at least .1 percent of their budgets. The statewide total of funds deposited in stabilization funds in FY1993 was $88.5 million. In FY1995 the total increased to $111.6 million and by FY1997 to $189 million. Looking at stabilization funds as a percent of the statewide total budgets, the improving economy is also reflected. The amount of money held in stabilization funds statewide as a percent of the statewide budget was .09 percent in FY1993. The percent increased to 1.0 percent in FY1995 and finally to 1.6 percent in FY1997.

Interestingly, many of the same communities maintained similar positions in FY1993, FY1995 and FY1997. Adams, East Brookfield, Gosnold, Rowe, Southwick and Windsor have remained in the top 10 communities when ranked on stabilization funds as a percent of total budget for all three years. East Brookfield, the top ranked community for two of the three years, had 31.49 percent of its budget in a stabilization fund in FY1993 and 29.25 in FY1995. Rowe edged out East Brookfield for FY1997 with an amount equal to 42.51 percent of its budget held in a stabilization fund. Concord, North Andover and Stoughton have had stabilization funds of only .1 percent of their budgets for the same time period.

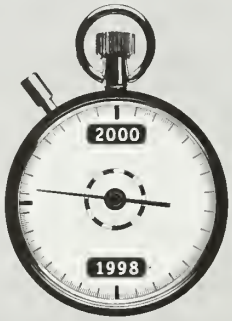
The communities which had no stabilization fund in all three years include many of our cities. Beverly, Boston, Fitchburg, Lawrence, Lynn, Malden, Revere, Springfield and Woburn did not have stabilization funds in FY1993, FY1995 and FY1997. Although Springfield and Lawrence do not have regular stabilization funds, they do have fiscal stability accounts mandated by the legislature. Towns which have had no stabilization funds in all three years include Aquinnah (Gay Head), Dennis, Marblehead, Reading, Salisbury, Swansea, and Wilmington. Some of these communities may have established capital acquisition funds, similar to the former stabilization funds, through special acts of the legislature.

The information on stabilization funds is from each community's Schedule A. ■

written by Jean McCarthy
data provided by Debbie DePerri and Stan Nyberg

1. Chapter 138 of the Acts of 1991.
2. Chapter 40 Section 5B.

Countdown to Y2K



Get Ready to Celebrate!

A new law, Chapter 59 of the Acts of 1998, creates a special fund into which cities and towns may appropriate funds to be used to celebrate the millennium or any centennial. Appropriations to the fund may be made in the five years prior to the celebration. Enterprising communities may charge admission fees for commemorative ceremonies or events, and sell commemorative items to raise money for this fund. All interest remains with the fund. The mayor or city manager, the selectmen, or the majority of a special committee established to plan the celebration may spend the money in the year before, the year of, and the year after the celebration. They must report such expenditures to the treasurer. Any money not spent on celebrating returns to the general fund.

New Fans for the Data Bank

Recently Stan Nyberg, Director of DLS' Municipal Data Bank, conducted a session on Accessing Municipal Financial and Demographic Data at a conference on Geographic Information Systems (GIS) held at Bristol Community College in Fall River. Organized by the Boshe Institute, a non-profit organization centered in Hyannis, and the Bristol Community College Center for Business and Industry, the conference drew participants from Virginia to Maine. Representatives from federal, state and local government agencies currently supporting or developing GIS systems, as well as staff from non-profit organizations and private business, learned about the types of information they can access through DLS' Data Bank. ■

DLS UPDATE

New Fund to Aid Elderly and Disabled Taxpayers

Communities may now establish a fund to defray the real estate taxes of low income elderly and disabled persons. A city or town must accept the provisions of Chapter 166 of the Acts of 1998 before establishing the elderly and disabled taxation fund. Modeled after the municipal scholarship program, the new program allows taxpayers to contribute to the fund through a check-off on the municipal tax bill or the motor vehicle excise bill. Tax bills can have designated areas to specify the amount donated, or the community can use a separate form mailed with the tax bills. The donation can be any amount above a $1.00 minimum. The donated amount does not reduce the tax, but will be in addition to the amount otherwise due and payable. Should payment not be made, no interest or penalties apply. Any community which adopts this statute should consider including an insert with the tax bill which explains the purpose of the fund and procedures for collecting monies.

In 1986, legislation instituted a local option authorizing the establishment of municipal scholarship funds collected through a check-off system on local tax bills.[1] Deserving individuals, chosen by a local committee, can receive educational financial aid from this fund. In 1993 the Education Reform Act expanded the scholarship fund statute to permit taxpayers to contribute to a fund to provide supplementary money for local school needs. Once the provisions of the statute are accepted by a majority of town meeting, town council or city council, taxpayers may donate money to one or both of the funds. Although similar to the education options, the elderly and disabled statute which inserts a new Section 3D into Chapter 60 may be accepted independent of the others.

Communities which establish the elderly and disabled taxation fund must form a taxation aid committee consisting of the chairman of the board of assessors, the city or town treasurer and three residents appointed by the mayor or the board of selectmen. After establishing guidelines to identify recipients of aid, the committee may spend the funds without appropriation.

The tax collector, the treasurer and their office staff play key roles in the program. The collector is responsible for collecting, segregating and turning over funds to the treasurer who invests them in an interest bearing trust fund account. This account is governed by the usual municipal limitations of trust funds. Since collecting the taxation aid funds involves additional work, the additional responsibilities should be evaluted up front to ensure success.

1. Chapter 60 §3C.

More Counties To Be Abolished

Hampshire, Essex and Berkshire Counties will soon exist only as geographic boundaries. Chapter 300 of the Acts of 1998 provides for the abolition of the governments of those counties, and transfers certain county functions to the Commonwealth. Hampshire county government is abolished as of January 1, 1999; Essex County as of July 1, 1999; and Berkshire County as of July 1, 2000, or earlier if that county fails to make a payment due on a bond or note. The transfer of functions will also occur on those dates, except for Hampshire County where the transfer was effective as of September 1, 1998. Franklin, Middlesex, Worcester and Hampden Counties were abolished in 1997 and 1998.

The Commonwealth assumes valid debts, obligations, leases and contracts of the abolished counties. There are provisions limiting the Commonwealth's liability for certain debts in Hampshire County. Land, buildings, courthouses, registries of deeds, jails and houses of correction become the property of the Commonwealth. Certain Hampshire County leases and contracts, as well as ownership of certain assets, remain with the Hampshire Council of Governments, established in January 1999. Revenues including all of the deeds excise will now belong to the state. The Commonwealth will take over operation of the county jails and houses of correction, registries of deeds and courthouses.

The statute also provides that the Essex County Agricultural and Technical Institute will be under the operation of a seven-member board of trustees. The governor will appoint the trustees, who must be residents of Essex County. The Department of Education will provide general supervision and the school's budget will be approved by the state Board of Education.

Within 60 days after the abolition of each county government, the Secretary of Administration and Finance will establish an amortization schedule to assess the member cities and towns for an amount not to exceed the county tax assessed for the fiscal year immediately prior to the abolition date, as a deduction from state aid for as many years as needed to recover the amount expended for county debts and other liabilities. ■

Municipal Fiscal Calendar

April 1
Collector: *Mail 2nd Half Semi-Annual Tax Bills*

Y2K Local Outreach Program

The Division of Local Services' (DLS) outreach program to small towns is going very well. As of the beginning of February, over one-third of eligible communities had registered or received direct assistance. DLS has found that communities typically have a mix of new and old (non-compliant) computers, tested and untested applications, and varied awareness of the potential scope of Y2K vulnerabilities.

DLS staff is conducting inventories in municipal governments, school districts, utility districts etc., to assist communities with populations of less than 5,000 in evaluating their Y2K readiness. Letters offering assistance have gone out to 100 communities in that population group. Participation is completely voluntary. DLS provides the testing at no charge to the local community.

DLS staff helps identify vulnerabilities and provides information to aid communities in providing for Y2K-related issues in the FY2000 budget. The community can plan remedies and a Y2K contingency account. The community retains responsibility for the accuracy of data collected and the appropriateness of the proposed solutions.

Reminder

The Division of Local Services will be moving to 51 Sleeper Street in Boston in early March. All telephone numbers will remain the same. All mail should continue to be sent to: Division of Local Services, PO Box 9655, Boston, MA 02114-9655 until further notice.

Data Bank Highlight

Stabilization Fund information from FY87 through FY97 is available on the DLS website under the heading "Debt and Other Financial Indicators." This report shows the stabilization fund balance as of July 1, the total budget and stabilization fund as a percentage of budget for each city and town for each year. These reports or comparison reports can be requested from the Data Bank staff printed out on hard copy or as Microsoft Excel files which can be sent by e-mail over the Internet.

To obtain Municipal Data Bank information contact Medi Ba, Dora Brown, Debbie DePerri or Stan Nyberg at (617) 626-2300. For technical assistance contact Burt Lewis at (617) 626-2358. The World Wide Web address is listed below. ■

City & Town

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Frederick A. Laskey, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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Open Space Acquisition Programs

written by Jean McCarthy

Land is finite and the public's willingness to preserve open space in Massachusetts is becoming apparent. Several innovative funding mechanisms for the purchase of open space have been created in recent years. The seven towns on Martha's Vineyard, comprising Dukes County, and the Town of Nantucket all have a two percent surcharge on real estate transfers which goes into a Land Bank fund to be used to purchase open space. The 15 towns in Barnstable County have recently established a Cape Cod Open Space Land Acquisition Program "for the purpose of acquiring land and interests in land for the protection of public drinking water supplies, open space, and conservation land, the creation of walking and bicycling trails, and the creation of recreational areas." This open space acquisition fund will be financed by a three percent surcharge on the real estate tax bills for 20 years.[1] Reportedly, there are plans to file a Community Preservation Act, modeled after the Cape Cod Land Bank, in the current legislative session to enable other Massachusetts communities to acquire open space.

The state has allocated $15 million in the Cape Cod Land and Aquifer Protection Fund to match half of each town's land bank collections. Cape towns need only to collect and certify the amount of money to qualify for the matching grant. They do not have to actually spend the money before receiving the state funds. If every town collects 100 percent of what they anticipate, the state could give out over $4 million in the first year.

The Cape Cod Land Bank gets underway at the beginning of fiscal year 2000, which begins on July 1, 1999. Cape voters approved the measure last November. The three percent surcharge will be shown on a separate line on the real estate tax bill. The surcharge is subject to the same collection remedies as the property tax itself. Taxpayers in communities with quarterly tax billing may see the first surcharge on the August 1999 bills. Those in communities with semi-annual tax billing may see the surcharge on their November 1999 tax bills.

Each of the Cape communities must establish an open space committee to acquire open space in accordance with the provisions of the act. The board of selectmen, or the town council in Barnstable, will appoint the members of the committee. A local nonprofit land trust or conservation organization may be designated as the town committee. The purpose of the committee is to recommend acquisition of specified land areas. The committee will be guided by local and regional open space plans, master plans and local comprehensive plans, if any.

For the Cape Cod Land Bank, any property purchased with land bank funds must be retained in natural, scenic or open condition. A permanent deed restriction will limit the use of the property to the purpose for which it was acquired. Towns may make improvements to promote recreation that are not inconsistent with the purpose of the law.

Communities may spend up to three percent of the land bank money for maintenance and improvement of open space acquired under this program. Any land acquired under this act will be owned and managed by the town. However, the board of selectmen or town council may delegate management to a nonprofit organization, or if the land is purchased for future wellhead development, to a water district or fire district.

Every Cape town will establish a separate account, known as the Land Bank Fund. All monies collected from the additional excise and any funds received from the Commonwealth or any other source for this purpose, or bond proceeds in anticipation of revenue from such collection, shall be deposited into this account. The towns of Barnstable and Orleans have already begun negotiations for land which will be purchased by borrowing in anticipation of the revenues they will receive under the new open space land acquisition program. ■

[1] Chapter 293 of the Acts of 1998.

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LEGAL in Our Opinion

Bargaining Group Insurance Benefits

Although Chapter 32B regulates group insurance, several appellate court cases make it clear that employee group insurance rates and benefits are subject to collective bargaining. The law stipulates that a municipality must contribute a minimum of 50 percent for group health insurance premiums, but the actual contribution may be higher because the rate is subject to collective bargaining. All groups or classes of employees within the community must receive the same percentage contribution for indemnity plan coverage.[1] If a community accepts Ch. 32B §7A, the municipal chief executive may agree on percentage premium contributions with the various non-school municipal unions, subject to a sufficient appropriation to cover any cost increase.[2]

The rate of municipal contributions to health maintenance organizations (HMOs) must be a minimum of 50 percent and a maximum of 90 percent, unless there was a collective bargaining agreement in effect on January 4, 1990 requiring a higher percentage contribution. In that case the agreement would govern until its expiration.[3] Otherwise, the rate for such premiums is subject to collective bargaining. There appears to be no requirement of uniformity in percentage premium rates for all employees enrolled in HMOs.

At least three cases dealing with group health insurance rates have illustrated situations in which a public employer has been considered bound to its agreement beyond the term specified in the contract or in the statutes. In *Local 589 ATU v. MBTA*[4] the Supreme Judicial Court (SJC) rejected an argument that the "perpetual" aspect of a collective bargaining agreement which expires only upon a subsequent agreement of the parties would violate public policy. The public policy argument had been suggested in a federal decision in an earlier case with the same union. In holding that the agreement had not expired, the SJC further ruled that a statute changing the relative obligation of the parties for premium contributions could not be effective until a new agreement was reached.

Subsequently, in *N.A.G.E. v. Commonwealth*[5] the parties and the SJC assumed the validity of contracts which had continued past the three-year statutory limit. In that case, however, the collective bargaining agreements providing lower employee percentage contributions were subject to a pre-existing statute, which specifically provided that contributions changes could be made.[6] It should be noted that no such provision for municipal rates exists in Chapter 32B.

In *Everett v. Firefighters Local 1656*[7] the Labor Relations Commission specifically ruled that a collective bargaining agreement continued to bind the parties beyond the three years stated in the agreement. That agreement provided that the contract would continue after its stated term unless expressly terminated by one of the parties. The commission ruled that the contract continued in effect because neither party had terminated it. As a result, the city was bound to continue to pay 100 percent of the firefighters' HMO premiums. Presumably most, if not all, such holdover collective bargaining agreements have been renegotiated by this time and the grandfathering provision should not prohibit compliance with the maximum 90 percent contribution rate for HMOs set forth in G.L. Ch. 32B §16.

Another line of cases has dealt with bargaining over benefit issues. Group insurance benefits are conditions of employment for municipal employees and are now mandatory subjects of collective bargaining. For example, in *Teamsters v. Chatham*[8] the court held that the town could have more than one indemnity carrier, including one proposed and sponsored by a police union. In *Correction Officers v. Labor Relations Commission*,[9] the court held that the Commonwealth was not bound to bargain over the level of health insurance benefits since the Group Insurance Commission, an independent state agency, controlled the decision making. However, the court specifically noted that the decision did not apply to municipal bargaining obligations since the benefit decisions and bargaining were left to the municipal chief executive.

Although bargaining over benefits is problematic given the procedural requirements of Chapter 32B, the labor relations commission has ruled that bargaining over benefits is required. In *Ludlow v. Fire Fighter Local 1840*[10] the commission determined that the selection of group health coverage is subject to bargaining. In 1993 the legislature enacted Chapter 32B §19 to permit municipalities to provide health insurance by means of a collaborative bargaining process with representative employee and retiree members, which will supersede any Chapter 150E collective bargaining agreement to the contrary.

Any questions about these or other collective bargaining finance issues should be directed to Gary Blau at (617) 626-2315. ■

written by Gary Blau

[1] G.L. Ch. 32B §§7 & 7A and *Watertown Firefighters, Local 1347, IAFF, AFL-CIO v. Town of Watertown*, 376 Mass. 706 (1978).

[2] G.L. Ch 150E§6 and *Anderson v. Board of Selectmen of Wrentham*, 406 Mass. 508, 511, 513n 10 (1990).

continued on page seven ➡

Focus on Municipal Finance

Elderly Exemptions

Elderly persons age 70 years or greater who meet certain annual income, assets and residency requirements may receive property tax relief through certain exemptions. An exemption is a release from the obligation to pay all or a portion of a tax. The most important exemption for the elderly, Chapter 59, Section 5, Clause 41, provides an exemption of $500 for qualified elderly taxpayers. Another exemption, Clause 17,[1] affords a smaller exemption amount for those over 70 years of age and certain others.

First enacted in 1963, Clause 41 applies in all communities unless the community adopts the optional Clauses 41B or 41C through vote of the town meeting or city council. Because property values and income levels have risen since the original statute was adopted, these clauses liberalize the qualification requirements. Enacted in 1982 and 1986 respectively, Clauses 41B and 41C provide the same exemption amount ($500), but expand eligibility criteria *(Table 1)*.

When first enacted, the exemption amount granted to each qualifying individual was $4,000 of property value. In 1966, the exemption amount was amended to $4,000 of property value or a $350 reduction in real estate taxes, whichever was greater. In 1977, the exemption amount was amended again to the current amounts of the greater of $4,000 of value or a $500 decrease in the tax. Prior to changes initiated by court decisions and new laws in the early 1980s, homes were assessed well below market value and the tax rates were generally very high. If a community's tax rate was $200 per thousand, the exemption amount would be $800 ($200 x $4,000/$1,000). Today, all communities must assess all property uniformly at full and fair cash value and the residential tax rate may not exceed $25 per thousand under Proposition 2 1/2. Hence, the "$4,000 of value" portion of the exemption has little significance ($25 x $4,000/$1,000 = $100) now.

Elderly exemption findings

As reported in the June 1993 issue of *City & Town*, in FY1992, 38 communities operated under Clause 41, 68 under Clause 41B and 239 under Clause 41C. In FY1998, 23 communities operated under Clause 41, 39 under Clause 41B and 289 under Clause 41C *(Table 2)*. In FY1992, 33,201 exemptions granted statewide abated $17,596,696 tax dollars at the local level. The state reimbursed $14,798,500 of that amount. In FY1998, 27,027 exemptions granted statewide abated $14,485,994 tax dollars at the local level and the state reimbursed $12,380,250. The number of exemptions granted declined by 18.6 percent between FY1992 and FY1998 *(Figure 1)*.

A community that operates under the more generous eligibility requirements of Clauses 41B and 41C offers benefits to increased numbers of elderly taxpayers. The cost to the community may increase because state reimbursement is based on the number of exemptions the community granted when last under Clause 41. In FY1992,

continued on page six ➡

Table 1

Criteria* by clause

Clause	Annual income & whole estate (asset) terms	Single	Married
41	*Gross receipts* minus social security allowance must be less than	$6,000	$7,000
	Whole estate, less the value of the home except any portion which produces income, cannot exceed	$17,000	$20,000
	OR, if the home value is included *whole estate* cannot exceed	$40,000	$45,000
41B	*Gross receipts* minus social security allowance must be less than	$10,000	$12,000
	Whole estate less the value of the home, except any portion which produces income, cannot exceed	$20,000	$23,000
41C	*Gross receipts* minus social security allowance must be less than	$13,000	$15,000
	Whole estate less the value of the home, except for the value of any portion which exceeds three dwelling units and produces income, cannot exceed	$28,000	$30,000

* Under Clause 41, an individual must own and occupy the subject property on July 1 of the tax year. Under Clauses 41B and 41C, in addition to so owning and occupying the subject property, an individual must have been continuously domiciled in Massachusetts for the 10 years preceding the application and have owned and occupied the property or other property in Massachusetts for 5 years.

Elderly Property Tax Exemptions Under G.L. 59. §5, Clauses 41, 41B and 41C

Municipality	Number Abated	Tax Abated	Clause Adopted	State Reimb.	Basis of Reimb.
Abington	144	100,800	41c	48,288	96
Acton	32	16,000	41c	13,064	26
Acushnet	98	49,000	41c	34,196	68
Adams	98	48,704	41c	22,196	44
Agawam	116	58,000	41c	58,232	116
Alford			41c	-	-
Amesbury	87	68,996	41c	43,674	87
Amherst	37	32,133	41c	17,574	35
Andover	65	50,057	41c	22,630	45
Arlington	149	81,675	41c	74,798	149
Ashburnham	29	14,500	41c	14,558	29
Ashby	16	8,000	41c	8,032	16
Ashfield	4	2,000	41c	2,008	4
Ashland	30	15,000	41c	15,060	30
Athol	73	35,409	41b	36,646	73
Attleboro	182	91,000	41c	91,364	182
Auburn	148	74,000	41c	69,796	139
Avon	39	19,500	41c	19,578	39
Ayer	24	12,000	41c	12,048	24
Barnstable	245	122,500	41c	108,990	217
Barre	31	15,500	41c	15,562	31
Becket	32	14,976	41b	7,564	15
Bedford	17	8,500	41c	8,534	17
Belchertown	29	14,500	41c	14,558	29
Bellingham	72	36,000	41c	30,144	60
Belmont	67	33,250	41c	26,634	53
Berkley	29	16,810	41c	10,558	21
Berlin	12	6,000	41c	6,024	12
Bernardston	16	7,967	41c	8,032	16
Beverly	90	45,000	41c	45,180	90
Billerica	102	51,000	41c	28,704	57
Blackstone	55	27,000	41c	15,610	31
Blandford	7	3,500	41c	2,514	5
Bolton	5	2,500	41c	2,510	5
Boston	1,295	920,721	41c	650,090	1,295
Bourne	68	34,000	41c	21,136	42
Boxborough	1	500	41c	502	1
Boxford	3	1,250	41c	1,506	3
Boylston	19	9,500	41c	9,538	19
Braintree	243	121,500	41c	93,986	187
Brewster	35	17,500	41c	17,070	34
Bridgewater	91	45,500	41c	30,182	60
Brimfield	10	5,000	41c	5,020	10
Brockton	337	168,500	41c	169,174	337
Brookfield	7	3,500	41b	3,514	7
Brookline	12	8,979	41c	6,024	12
Buckland	8	4,000	41b	4,016	8
Burlington	78	39,000	41c	39,156	78
Cambridge	95	70,695	41c	47,690	95
Canton	124	62,000	41c	62,248	124
Carlisle	9	9,000	41c	4,518	9
Carver	73	36,500	41c	19,646	39
Charlemont	7	3,500	41b	3,514	7
Charlton	46	22,943	41c	20,592	41
Chatham	13	6,500	41c	3,526	7
Chelmsford	104	52,000	41c	40,708	81
Chelsea	98	49,000	41c	20,696	41
Cheshire	32	14,982	41c	4,564	9
Chester	11	5,500	41b	5,522	11
Chesterfield	5	2,500	41b	1,510	3
Chicopee	447	223,500	41b	224,394	447
Chilmark	-	41	-	-	
Clarksburg	41	20,889	41c	17,582	35
Clinton	97	48,500	41c	48,694	97
Cohasset	12	6,000	41b	6,024	12
Colrain	18	9,000	41c	9,036	18
Concord	23	11,500	41c	11,546	23
Conway	10	5,000	41c	5,020	10
Cummington	1	500	41c	502	1
Dalton	37	18,500	41c	18,074	36
Danvers	76	38,000	41c	38,152	76
Dartmouth	287	137,491	41c	133,074	265
Dedham	108	54,000	41c	47,216	94
Deerfield	29	14,500	41c	14,558	29
Dennis	81	40,449	41c	30,162	60
Dighton	56	27,750	41c	28,112	56
Douglas	26	13,000	41c	12,552	25
Dover	1	500	41c	502	1
Dracut	364	182,000	41c	182,728	364
Dudley	155	77,463	41c	65,810	131
Dunstable		-	41	-	-
Duxbury	19	9,500	41c	9,538	19
E. Bridgewater	106	53,000	41c	35,712	71
E. Brookfield	18	8,709	41c	9,036	18
E. Longmeadow	70	35,000	41c	35,140	70
Eastham	30	15,000	41c	9,060	18
Easthampton	152	75,000	41c	76,304	152
Easton	53	26,500	41c	26,606	53
Edgartown	9	4,500	41c	4,518	9
Egremont	1	500	41	500	1
Erving	14	7,000	41c	5,528	11
Essex	10	5,000	41b	5,020	10
Everett	173	86,000	41c	86,846	173
Fairhaven	179	89,500	41c	89,858	179
Fall River	529	264,500	41c	228,558	455
Falmouth	153	76,500	41c	63,306	126
Fitchburg	127	63,500	41b	63,754	127
Florida	21	9,559	41b	3,542	7
Foxborough	66	32,250	41c	21,132	42
Framingham	94	47,000	41c	47,188	94
Franklin	70	34,750	41c	14,640	29
Freetown	50	25,000	41c	24,600	49
Gardner	117	58,201	41c	58,734	117
Gay Head	5	2,500	41	2,500	5
Georgetown	17	8,500	41c	8,534	17
Gill	12	5,895	41c	6,024	12
Gloucester	290	145,000	41c	95,580	190
Goshen	5	2,325	41c	2,510	5
Gosnold		-	41	-	-
Grafton	65	32,500	41c	25,630	51
Granby	24	11,602	41c	12,048	24
Granville	8	3,750	41c	4,016	8
Grt. Barrington	39	19,250	41c	19,578	39
Greenfield	146	73,000	41c	63,292	126
Groton	25	12,500	41c	12,550	25
Groveland	18	9,000	41b	9,036	18
Hadley	14	7,000	41	7,000	14
Halifax	33	16,500	41c	12,566	25
Hamilton	21	10,500	41c	10,542	21
Hampden	6	3,000	41b	3,012	6
Hancock	15	7,124	41	7,500	15
Hanover	26	13,000	41c	13,052	26
Hanson	54	26,750	41c	27,108	54
Hardwick	44	21,443	41c	6,588	13
Harvard	3	1,500	41c	1,506	3
Harwich	81	40,500	41c	40,662	81
Hatfield	37	18,500	41c	18,574	37
Haverhill	201	98,500	41c	100,902	201
Hawley	3	1,500	41b	506	1
Heath	10	5,000	41c	5,020	10
Hingham	51	25,500	41c	25,602	51
Hinsdale	13	6,500	41c	6,526	13
Holbrook	81	40,500	41c	40,662	81
Holden	33	16,500	41c	16,566	33
Holland	17	8,500	41b	8,534	17
Holliston	19	11,400	41c	9,538	19
Holyoke	87	43,495	41c	43,674	87
Hopedale	42	20,750	41c	21,084	42
Hopkinton	47	23,500	41c	18,594	37
Hubbardston	12	6,000	41b	6,024	12
Hudson	97	48,500	41c	48,694	97
Hull	55	27,500	41c	27,610	55
Huntington	13	6,000	41c	6,526	13
Ipswich	34	17,000	41c	17,068	34
Kingston	61	30,500	41c	30,622	61
Lakeville	58	29,000	41c	29,116	58
Lancaster	31	15,500	41c	15,562	31
Lanesborough	16	8,000	41c	8,032	16
Lawrence	294	146,933	41c	147,588	294
Lee	101	50,500	41c	48,702	97
Leicester	51	25,250	41c	25,602	51
Lenox	31	15,500	41c	15,562	31
Leominster	188	94,000	41c	63,376	126
Leverett	9	4,500	41c	4,018	8
Lexington	64	32,000	41c	29,628	59
Leyden	6	3,000	41b	3,012	6
Lincoln	6	3,000	41c	1,512	3
Littleton	19	11,149	41c	9,538	19
Longmeadow	16	8,000	41c	8,032	16
Lowell	476	236,750	41c	237,452	473
Ludlow	80	40,000	41c	40,160	80
Lunenburg	60	29,667	41c	30,120	60
Lynn	460	230,000	41c	230,920	460
Lynnfield	24	12,000	41c	10,548	21
Malden	193	96,500	41c	96,886	193
Manchester	6	3,000	41c	3,012	6
Mansfield	105	78,750	41c	48,210	96
Marblehead	40	20,000	41c	20,080	40
Marion	39	19,166	41	19,500	39
Marlborough	102	50,986	41c	50,704	101
Marshfield	95	47,500	41c	47,690	95
Mashpee	42	21,000	41c	3,584	7
Mattapoisett	45	22,500	41c	9,090	18
Maynard	21	10,500	41c	10,542	21
Medfield	11	5,500	41c	5,522	11
Medford	337	167,050	41c	105,674	210
Medway	31	15,500	41c	15,562	31
Melrose	87	43,500	41c	43,674	87
Mendon	15	7,500	41c	7,530	15
Merrimac	19	9,500	41c	3,038	6

Municipality	Number Abated	Tax Abated	Clause Adopted	State Reimb.	Basis of Reimb.
Methuen	296	147,815	41c	148,592	296
Middleborough	189	94,500	41c	75,878	151
Middlefield	2	1,000	41	1,000	2
Middleton	14	7,000	41c	7,028	14
Milford	133	66,000	41c	66,766	133
Millbury	115	57,250	41c	47,230	94
Millis	20	10,000	41c	10,040	20
Millville	24	12,000	41c	9,548	19
Milton	95	47,500	41c	47,690	95
Monroe		-	41b	-	-
Monson	40	18,667	41c	20,080	40
Montague	23	11,500	41c	11,546	23
Monterey	2	1,000	41c	1,004	2
Montgomery	2	1,000	41b	1,004	2
Mt. Washington		-	41	-	-
Nahant	29	14,500	41c	14,558	29
Nantucket	6	3,000	41	3,000	6
Natick	102	51,000	41c	51,204	102
Needham	44	25,641	41c	22,088	44
New Ashford		-	41	-	-
New Bedford	951	472,695	41c	477,402	951
New Braintree	1	500	41c	502	1
New Marlboro	18	8,819	41b	7,536	15
New Salem	1	500	41	500	1
Newbury	25	12,500	41c	12,550	25
Newburyport	142	71,000	41c	71,284	142
Newton	134	66,500	41c	67,268	134
Norfolk	10	5,000	41c	5,020	10
N. Adams	165	81,775	41c	82,830	165
N. Andover	63	31,000	41c	31,626	63
N. Attleboro	58	29,000	41c	23,116	46
N. Brookfield	26	13,000	41c	8,552	17
N. Reading	31	15,500	41c	15,562	31
Northampton	228	114,000	41c	114,456	228
Northborough	73	36,500	41c	12,646	25
Northbridge	55	27,459	41c	18,610	37
Northfield	16	7,750	41c	8,032	16
Norton	45	22,500	41c	22,590	45
Norwell	30	15,000	41c	15,060	30
Norwood	81	40,500	41b	40,662	81
Oak Bluffs	36	18,000	41c	18,072	36
Oakham	7	3,500	41c	2,514	5
Orange	56	26,839	41b	28,112	56
Orleans	28	14,000	41c	7,056	14
Otis	18	8,871	41c	5,036	10
Oxford	131	65,500	41c	39,262	78
Palmer	131	65,250	41c	43,762	87
Paxton	15	7,500	41c	7,530	15
Peabody	154	77,000	41c	77,308	154
Pelham	10	5,000	41c	3,520	7
Pembroke	70	35,000	41c	30,640	61
Pepperell	28	14,000	41c	14,056	28
Peru	3	1,500	41c	1,006	2
Petersham	8	4,000	41b	3,516	7
Phillipston	8	3,750	41b	4,016	8
Pittsfield	142	67,763	41b	71,284	142
Plainfield	3	1,500	41b	1,506	3
Plainville	18	9,000	41c	9,036	18
Plymouth	129	64,500	41c	64,758	129
Plympton	10	5,000	41c	5,020	10
Princeton	8	4,000	41c	4,016	8
Provincetown	46	22,691	41c	23,092	46
Quincy	487	241,000	41c	244,474	487
Randolph	234	117,000	41c	90,468	180
Raynham	46	23,000	41c	23,092	46
Reading	81	40,250	41c	40,662	81
Rehoboth	70	35,000	41c	29,640	59
Revere	460	227,575	41c	230,920	460
Richmond	4	2,000	41c	1,008	2
Rochester	25	12,419	41c	12,550	25
Rockland	73	36,500	41c	36,646	73
Rockport	22	10,600	41c	10,544	21
Rowe		-	41	-	-
Rowley	15	7,500	41c	6,030	12
Royalston	22	10,718	41c	9,044	18
Russell	10	5,000	41c	2,020	4
Rutland	22	10,792	41c	9,044	18
Salem	139	114,823	41c	69,778	139
Salisbury	30	15,000	41c	15,060	30
Sandisfield	6	2,821	41c	3,012	6
Sandwich	34	17,000	41c	17,068	34
Saugus	110	55,000	41c	55,220	110
Savoy	21	10,430	41	10,500	21
Scituate	54	26,675	41c	27,108	54
Seekonk	73	36,250	41c	36,646	73
Sharon	29	23,128	41c	7,558	15
Sheffield	13	6,500	41c	6,526	13
Shelburne	6	3,000	41b	3,012	6
Sherborn	5	2,500	41c	2,010	4
Shirley	32	27,657	41c	16,064	32
Shrewsbury	113	56,476	41c	22,726	45
Shutesbury	5	3,766	41c	2,510	5
Somerset	324	196,245	41c	88,648	176
Somerville	198	96,250	41c	99,396	198
S. Hadley	85	42,500	41c	39,670	79
Southampton	28	14,000	41c	14,056	28
Southborough	23	11,500	41c	11,546	23
Southbridge	6	3,000	41	3,000	6
Southwick	76	38,000	41c	30,652	61
Spencer	85	42,459	41c	39,170	78
Springfield	414	207,000	41b	207,828	414
Sterling	3	1,500	41	1,500	3
Stockbridge	6	3,000	41c	3,012	6
Stoneham	226	113,000	41c	113,452	226
Stoughton	98	48,250	41c	49,196	98
Stow	7	3,500	41c	3,514	7
Sturbridge	23	11,500	41b	11,046	22
Sudbury	22	11,000	41c	11,044	22
Sunderland	6	3,000	41c	3,012	6
Sutton	29	14,500	41b	14,558	29
Swampscott	42	21,000	41c	21,084	42
Swansea	154	76,679	41b	77,308	154
Taunton	217	108,500	41b	108,934	217
Templeton	127	63,120	41c	47,754	95
Tewksbury	144	72,000	41c	46,288	92
Tisbury	20	9,926	41c	10,040	20
Tolland		-	41	-	-
Topsfield	8	4,000	41c	3,016	6
Townsend	38	19,000	41c	13,576	27
Truro	9	4,500	41c	3,518	7
Tyngsborough	30	15,000	41c	15,060	30
Tyringham	4	1,816	41c	508	1
Upton	20	10,000	41	10,000	20
Uxbridge	79	39,250	41c	26,158	52
Wakefield	141	70,250	41c	70,782	141
Wales	13	6,250	41b	6,526	13
Walpole	58	29,000	41c	29,116	58
Waltham	79	39,500	41b	39,658	79
Ware	85	42,487	41c	30,170	60
Wareham	177	88,223	41c	84,854	169
Warren	50	25,000	41c	15,600	31
Warwick	6	3,000	41b	3,012	6
Washington	2	1,000	41	1,000	2
Watertown	112	75,600	41c	45,724	91
Wayland	36	36,000	41c	10,572	21
Webster	213	106,500	41c	106,926	213
Wellesley	26	13,000	41c	13,052	26
Wellfleet	17	8,500	41c	5,034	10
Wendell	4	2,000	41c	2,008	4
Wenham	12	6,000	41c	4,024	8
W. Boylston	58	28,417	41c	19,616	39
W. Bridgewater	57	28,500	41c	25,614	51
W. Brookfield	30	14,986	41b	5,560	11
W. Newbury	8	4,000	41c	4,016	8
W. Springfield	189	94,240	41c	94,878	189
W. Stockbridge	5	2,500	41b	2,510	5
W. Tisbury	1	500	41c	502	1
Westborough	31	15,500	41c	15,562	31
Westfield	199	98,750	41c	99,898	199
Westford	54	34,899	41c	27,108	54
Westhampton	8	4,000	41c	4,016	8
Westminster	22	11,000	41b	11,044	22
Weston	9	4,500	41c	4,518	9
Westport	143	71,420	41c	71,786	143
Westwood	20	10,000	41c	10,040	20
Weymouth	195	97,500	41c	85,890	171
Whately	8	4,000	41c	2,516	5
Whitman	85	42,500	41c	33,170	66
Wilbraham	43	21,500	41c	21,586	43
Williamsburg	25	12,500	41c	12,550	25
Williamstown	7	3,500	41	3,500	7
Wilmington	154	77,000	41c	77,308	154
Winchendon	62	31,000	41c	18,624	37
Winchester	35	17,500	41c	17,570	35
Windsor	2	1,000	41	1,000	2
Winthrop	8	4,000	41	4,000	8
Woburn	306	153,000	41c	145,612	290
Worcester	916	901,717	41c	459,832	916
Worthington	3	1,500	41c	1,506	3
Wrentham	21	10,500	41c	10,542	21
Yarmouth	176	88,000	41c	88,352	176
Total	**27,027**	**14,485,994**		**12,380,250**	**24,653**
Clause 41	152	75,220	23	76,000	152
Clause 41b	2,138	1,060,530	39	1,043,776	2,079
Clause 41c	24,737	13,350,244	289	11,260,474	22,422
	27,027	14,485,994	351	12,380,250	24,653

Notes:

Clauses 41b and 41c are local options which expand eligibility criteria of clause 41. If a community adopts a local option, the reimbursement is capped. The reimbursement cap is the number of exemptions the community reported the last time it granted exemptions under clause 41. Therefore, if the community reports a number higher than the cap, the reimbursement is $500 x reimb. Cap plus a $2 processing fee for every exemption granted. For example, a community reports 100 41c exemptions, but has a cap of 80. The state reimbursement would be $500 x 80 + $2 x 100 or $40,000 + $200 or $40,200. Clauses 41, 41b and 41c granted in any year are reimbursed in the following fiscal year.

Table 2

Elderly Exemptions
➡ *continued from page three*

156 communities granted more Clause 41B or 41C exemptions than the number granted when they were last under Clause 41, while 144 communities granted fewer exemptions. In comparison in FY1998, 117 communities granted more exemptions, while 211 granted the same number or fewer than they granted when they were last under Clause 41.

The decline in the number of elderly exemptions granted probably results from the fact that the eligibility criteria have not been updated since 1986. To counteract the effects of inflation in property value and income, many communities have adopted the more liberal Clause 41B and Clause 41C. Other communities have adopted the Optional Additional Real Estate Exemption,[2] a local option which allows a city or town to increase the amount of the exemption for those who qualify (e.g., elderly, veterans, blind, etc.), but does not change the underlying eligibility criteria. The increase must be uniform for all exemptions and cannot reduce the applicant's tax bill to less than he or she paid the preceding year, nor can it reduce the tax bill to less than 10 percent of what it would have been.[3]

Elderly exemptions have been a matter of public discussion recently. The State Auditor's Office released a report, *A Review of Property Tax Exemptions for the Elderly*, in December 1998. The report concluded that the elderly eligibility criteria and the exemption amount have failed to keep pace with inflation. The Auditor's Office further reported that in 1982 the $500 exemption represented nearly half of the average single family tax bill while it amounts to about one-fifth of the average tax bill in 1998.

According to many assessors contacted, the failure of exemptions to keep pace with inflation has been a concern at the local level for a number of years. When homes were undervalued and tax rates were high, a home worth much more could be valued as little as $4,000, resulting in little or no tax liability for a qualified elderly resident. With the enforcement of full and fair cash values, however, high property assessments have increased the tax burden on elderly taxpayers. In FY98 the average single family tax bill statewide was $2,463. For the elderly, the property tax due less the $500 reduction results in a large balance and that amount is growing every year.

Because of the escalating real estate tax burden coupled with the fact that stringent criteria eliminates so many elderly from qualifying under the existing exemptions, communities are pursuing additional options for elderly taxpayers. Several communities have instituted community work programs which enable elderly taxpayers to work for the city or town for compensation used to reduce the participant's property tax bill. Other communities aggressively inform elderly taxpayers about the Clause 41A tax deferral option,[4] but with limited success because many elderly taxpayers are reluctant to place the required lien on their property.

With communities exploring innovative approaches and the impetus of the State Auditor's report, elderly property tax exemptions are likely to be a focus of much public debate in the coming months. ■

written by Melinda Ordway

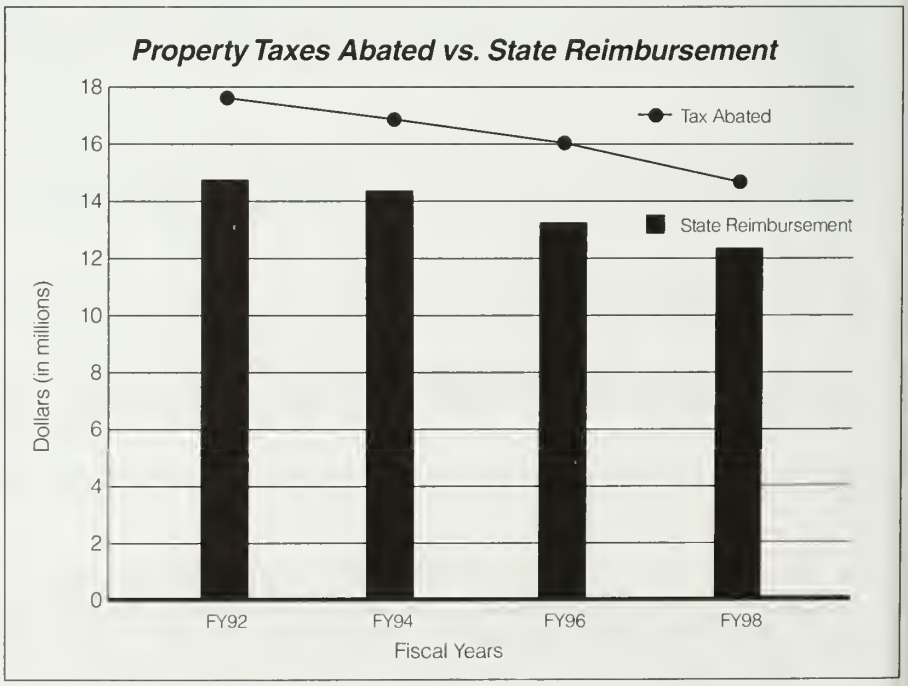
[1] Clause 17-17D exemptions provide a reduction in real estate taxes of $175 to persons 70 years of age or older who satisfy certain residency and whole estate or asset requirements. There is no income requirement for these exemptions.

[2] Chapter 73 §4 of the Acts of 1986, as amended by Chapter 126 of the Acts of 1988.

[3] Except where a Clause 18 (hardship) exemption, a clause 42 or 43 exemption, or a paraplegic abatement is involved

[4] Clause 41A permits an elderly taxpayer to delay payment of property taxes which ultimately must be paid to the community upon the death of the taxpayer or sale of the property. By this statute, which is in effect in every city and town in the Commonwealth, an elderly taxpayer can use resources which otherwise would go to pay real estate taxes to defray living expenses.

Figure 1



DLS UPDATE

Sewer Rate Relief

A total of $52 million in fiscal year 1999 sewer rate relief has been awarded to 120 communities, a 6.6 percent increase from last year. The bulk of the sewer relief money, $43.5 million, will be distributed to 52 communities within the Massachusetts Water Resources Authority (MWRA). Six communities belonging to the South Essex Sewerage District will receive a total of $1.95 million. The remaining $6.84 million will be shared by 86 cities, towns and commissions. Braintree, Brookline, Charlemont, Cohasset, Fall River, Gloucester, Monson, Sturbridge and West Springfield are receiving funds for the first time.

The Commonwealth Sewer Rate Relief Fund, established in 1993, mitigates the increases for communities in the MWRA water and sewer districts due to the costs of the court-ordered clean up of Boston Harbor. It also offsets some of the debt service for water and sewer construction projects for other communities. Although construction of the new wastewater treatment facility on Deer Island in Boston Harbor is approximatly 94 percent complete, the MWRA faces significant future projects to address combined sewer overflows. Also, a new 18-mile water supply tunnel must be constructed to provide a necessary back-up for the Hultman Aqueduct, in operation since the 1940s. Among the numerous smaller projects around the state, the Town of Otis will receive funds to offset the cost of constructing a sewer system for the village center.

Long term debt issued on or after January 1, 1990, for a term greater than five years for planning, design or construction of a water pollution control project is eligible for sewer rate relief. However, projects which received state construction grant assistance and projects which are financed with subsidized loans from the Massachusetts Water Pollution Abatement Trust are not eligible unless the amount financed exceeded $50 million on June 30, 1995.

DLS administers the program in consultation with the Department of Environmental Protection. The Commissioner of Revenue sent letters to the individual communities in early February announcing the amount of aid each would receive. Communities receiving the sewer rate relief monies must provide a detailed certification that aid from the Fund has been or will be applied to the reduction of sewer rates. ■

School Audit Reports Available

Are you interested in reading one of the audit reports completed under the direction of the Education Management Accountability Board (EMAB)? Complete copies of the reports are available at the DLS website by clicking on *Information from the Bureau of Education Audit*. The audits monitor how selected districts have progressed under the Education Reform Act of 1993. They include but are not limited to the following areas: school finances, staffing, test scores, time and learning standards, and school improvement and technology plans. The names of the members of the EMAB are also listed.

DLS's Bureau of Education Audit has completed reports on Braintree, Brockton, Lexington, Lowell, Malden, Triton Regional and Worcester. After each new school system is completed and the EMAB votes to accept the report, a copy of the report will be posted on our website. Auditors are currently working in Gardner, New Bedford, Salem and North Reading. To view the information contained in the reports you must have the *Adobe Acrobat Reader* software which can be downloaded free of charge by clicking the icon for Adobe Acrobat. ■

Bargaining Group Insurance Benefits

➡ *continued from page two*

[3] G.L. Ch. 32B §16 & §218 of Ch. 653 of the Acts of 1989.

[4] *Local 589, Amalgamated Transit Union v. Massachusetts Bay Transportation Authority*, 414 Mass. 323, 327-28 (1993).

[5] *National Association of Government Employees v. Commonwealth*, 419 Mass. 448, 450-51 (1995).

[6] G.L. Ch. 32A§8.

[7] *City of Everett and Everett Firefighters, Local 1656, IAFF*, 22 MLC 1303 (12/6/95).

[8] *Teamsters, Chauffeurs, Warehousemen & Helpers Union, Local No. 59 v Chatham*, 404 Mass. 365 (1989).

[9] *Massachusetts Correction Officers Federated Union v. Labor Relations Commission*, 417 Mass. 7, 9 n.3 (1994).

[10] *Town of Ludlow and Ludlow Fire Fighters Association, Local 1840*, IAFF, 17 MLC 1191, 1196-98 8/3/90).

Opportunities For Training

Course 101, *Assessment Administration and Procedures* for assessors and assistant assessors will be held at the Peabody Institute Library Reading Room in Danvers on Monday evenings beginning March 15, 1999.

A *Classification Training Workshop* will be given on Monday, April 12, 1999, in the Peabody Institute Library Reading Room in Danvers.

The *Appraisal Training Course: Electric Generation, Transmission and Distribution* will be given on four consecutive days, June 14-17, 1999 on the fifth floor of 294 Washington Street in Boston.

A one day *Telecommunications Appraisal Course* will be held on Tuesday, May 4, in Gardner; Thursday, May 6, in Lee; and Wednesday, May 19, in Abington.

Contact Barbara LaVertue, training coordinator, at (617) 626-2340 for more information. ■

DLS Has A New Address

The Department of Revenue, including the Division of Local Services, has moved to its new headquarters at 51 Sleeper Street in Boston 02210. Our delivery address is 5th floor at that address.

Although all telephone numbers will remain the same, DLS has a **new mailing address:**

Division of Local Services
P.O. Box 9490
Boston, MA 02205-9490

Please make the change immediately. Although DLS will retain its old post office box during a transition period, mail will reach us much more quickly at this new address. Your cooperation is appreciated. ■

Data Bank Highlight

The Municipal Data Bank collects, analyzes and distributes financial, demographic and economic data on Massachusetts cities and towns. The Data Bank develops and maintains systems to collect and distribute the information, assists users in interpretation, participates in research projects. The data is available through the DLS website. It also can be requested by phone, fax or e-mail. **The e-mail address is nyberg@shore.net.** Reports can be printed out as hard copy and mailed or faxed, or sent by e-mail. If you have any questions call us at one of the numbers listed below.

To obtain Municipal Data Bank information contact Medi Ba, Dora Brown, Debbie DePerri or Stan Nyberg at (617) 626-2300. For technical assistance contact Burt Lewis at (617) 626-2358. The World Wide Web address is listed below. ■

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS World Wide Web site at **http://www.state.ma.us/dls** or by writing to PO Box 9490, Boston, MA 02205-9490.

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Frederick A. Laskey, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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AUG 20 1999

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Legislative Changes Affecting the Appellate Tax Board

written by Bruce Stanford

With the enactment of Chapter 485 of the Acts of 1998, the Legislature instituted a number of changes affecting the Appellate Tax Board (ATB). Some of these changes have major significance to cities and towns since the ATB plays a key role in the process whereby local residents may seek abatements of property taxes and other local charges. To request an abatement, residents must, initially, file a timely application with the city or town board or officer that assessed the respective tax or other charge, generally the assessors. An applicant dissatisfied with the outcome of an application may appeal to the ATB. This board possesses extensive jurisdiction to decide appeals relating to a wide range of assessments, including property taxes and motor vehicle excises. The ATB, in addition, has authority to decide appeals concerning state owned land valuation, exemption eligibility, property classification, and equalized values.

One change accomplished by Chapter 485 of particular importance to cities and towns deals with the authority of local assessors to settle assessment disputes during a discrete interval of time. This time period is the interval following the assessors' denial of an abatement application but before the applicant makes a formal appeal to the ATB. Formerly, assessors could enter into such agreements only in cases of "deemed denials," that is, cases in which they had failed to act upon an abatement application within three months, or a mutually agreed upon later time, after having received it. In such cases, abatement applications become automatically denied by operation of law. Pursuant to the new change, however, assessors can enter into settlement agreements in cases of actual denials, also, as well as in cases of deemed denials. In either instance, settlements during this time period must be final settlements; neither party may subsequently appeal an agreement.

The fact that this new settlement authority pertains only to the time period after a denial and before an appeal to the ATB does not mean, certainly, that assessors can only settle during this limited period. On the contrary, assessors always possess the authority to abate a tax or charge, in whole or in part, after an appellant has timely appealed to the ATB.

Another change of significance to cities and towns implemented by Chapter 485 relates to a requirement that some taxpayers must pay taxes in advance in order to be eligible to make an appeal to the ATB. This prepayment requirement applies to taxpayers who own real property for which the total tax for any fiscal year is more than $3,000. Such persons must timely pay all installments as they become due in order for the ATB to have authority to decide an appeal relating to that property. Formerly the threshold was $2,000. Chapter 485 increased it to $3,000.

No prepayment requirement exists, at all, at the local level. Whether a property owner is current with tax payments has no bearing either on that person's eligibility to receive or the assessors' jurisdiction to grant abatements. At the same time, however, applying for an abatement does not postpone the collection process. Interest will accrue on any delinquent amount, and collection fees may be added to a tax or other charge not timely paid.

Another change, which is of specific interest to municipal assessors, concerns appeals to the ATB in years succeeding a year for which the board determined the value of a parcel of real estate. Ordinarily, an appellant bears the burden of proof at the ATB. To prevail, the appellant must prove the assessors' valuation is incorrect. However, the burden of proof shifts to the assessors for a prescribed period of time if they determine the value of a parcel to be greater than the value determined by the board. To prevail, the assessors must prove the correctness of their value. Formerly, the shift of the burden of proof extended to the following three years. Chapter 485 reduced to two years the period during

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which the burden of proof in such cases is upon the assessors instead of the appellant.

A further change of special interest to assessors involves an appellant's including multiple parcels of real estate in a single appeal to the ATB. Formerly, an appellant had latitude to file such an appeal; however, the ATB, upon receiving notice, could require each parcel be the subject of a separate petition. Under the amendment, an appellant cannot include multiple parcels in a single petition without obtaining express authority from the board to do so.

Many of the other changes implemented by Chapter 485 are intended to enhance the ATB's effectiveness and reduce its caseload. For one thing, the statute alters the criteria defining cases which may be decided by a single board member, instead of requiring a vote of the entire board. Formerly, a single member could only resolve cases, single-handedly, in which the assessed value of the property involved in the appeal did not exceed $300,000 or, with the written consent of the parties, $500,000. Chapter 485 raised these levels to $500,000 and $750,000, respectively, thereby increasing the number of cases that may be decided by a single member.

As another means to increase the efficiency and reduce the caseload of the board, the new provisions authorize the board to add additional personnel. Specifically, the board may appoint additional members to work full-time, but on a temporary basis, for a one-year period, which may be extended for an additional year, if necessary. The temporary members may resolve cases eligible to be decided by single members. The statute also specifically authorizes the board to appoint five attorneys, as well as other employees, including additional clerks. Of course, all additional appointment authority is subject to sufficient appropriation.

Additionally, Chapter 485 imposes a number of strict deadlines on board members. For example, it specifies that members must, in general, render decisions within three months of the closing of a case. Similarly, if either party to a decision requests a report and findings of fact, the statute requires the preparation of these materials within a similar time period.

The statute, moreover, imposes substantial accountability upon members of the board. For one thing, it subjects them to annual, written performance reviews. Members will be evaluated based, in part, on their efficiency and fairness in conducting hearings, their promptness in issuing single member decisions, their contribution to issuing expeditious findings of facts and reports, and their role in the management and reduction of the board's caseload. The statute also requires an annual report to the Legislature. The report must provide "the aggregate number and type of cases assigned to each member, the manner by which each case was disposed of and the average length of time for issuing a decision."

As another way to reduce the ATB's caseload, Chapter 485 authorizes the utilization of alternative dispute resolution techniques. The statute directs that such techniques, including mediation and arbitration, be conducted upon terms and conditions established by the parties, with the approval of the board.

Taken together, the numerous changes introduced by Chapter 485 should significantly improve the administration of the abatement process. By amplifying the ATB's efficiency and reducing its backlog of cases, these changes should result in substantial benefits to cities and towns. ■

Property Tax Chief Named

Last month Revenue Commissioner Frederick A. Laskey announced the appointment of Bruce Stanford, Esq. to the position of Property Tax Bureau Chief in the Division of Local Services. An attorney specializing in municipal law, Bruce has been with the Division of Local Services for 15 years where he has made many significant contributions. Three recent accomplishments come to mind. First, Bruce prepared the *Motor Vehicle & Trailer Excise Manual,* a booklet which has become indispensable to local assessors and tax collectors. Second, his close cooperation with the Massachusetts Treasurers and Collectors Association produced the first updated *Collector's Manual* in several years. Third, Bruce was the recipient of two statewide awards for his part in the Regulation Review Project. He received the Governor's Pride in Performance Award for his leadership in developing the "how to" guide to writing regulations and the Manual Carballo Governor's Award for Excellence in Public Service for his part in the team that eliminated 22 percent of government regulations and modified another 49 percent.

A graduate of the University of Massachusetts at Amherst and Suffolk University Law School, Bruce is a lifelong resident of Cape Cod. He and his wife Melissa have five children. His past municipal experience as a selectman/assessor and school committee member in the Town of Sandwich further adds to his value in the Division and to local officials.

Bruce replaces Harry Grossman, who served as Chief of the Property Tax Bureau for 12 years. Harry, who was promoted to First Deputy Commissioner of Revenue in 1997, recently has been given special responsibility for the resolution and settlement of tax disputes. ■

Focus on Municipal Finance

1998 Equalized Valuations

The Equalized Valuations (EQVs) for Massachusetts for 1998 reflect an 8.2 percent increase from the 1996 EQVs. This article examines the results of the EQV study for 1998 as well as cumulative changes in EQVs between 1988 and the present. The latter five EQVs illustrate the shifts in property values statewide.

Every even numbered year, the Commissioner of Revenue is required to develop an estimate of the fair cash value of all taxable property in each city and town as of January 1 of that year.[1] This estimate is called the equalized valuations or EQVs. The purpose of EQVs is to present municipal property values in a comparable manner by adjusting for the differences in local assessing practices and revaluation schedules. There are three major uses for these "equalized" values: the allocation of certain state aid distributions, the calculation of various state and county assessments to municipalities, and the determination of municipal debt limits.

EQV Methodology

Assessed values as of January 1, 1997 (FY1998) served as the starting point for calculating the 1998 EQVs. For residential property, these values were compared to sales prices for the preceding year, January 1 through December 31, 1996. Only arms-length sales were included in this comparison. These are sales between a willing buyer and seller without any unusual circumstances or conditions. Excluded were non-arms-length sales, such as those between relatives, court ordered sales or other non-fair markets sales.

As a result of the analysis of the relationship between the assessed value and the price for residential property which actually sold, a composite assessment sales ratio (assessed value/market value) was determined for each city and town. The total assessed value was then divided by the composite sales ratio to estimate the fair market value of the residential class.

Since there were few arms-length sales of commercial and industrial properties, the sales ratio sampling technique could not be used as the sole estimate of the fair market value for these property classes. Therefore, market appraisals, direct income capitalization information, and other sales and economic data were used in addition to sales data to determine the fair market value of these classes.

The 1998 EQVs are the sum of the estimated fair market value for each property class plus an estimate of new growth, resulting in values indicative of January 1, 1998. The Division of Local Services sent proposed 1998 EQVs to the cities and towns by June 10, 1998. After public hearings on the proposed values, communities were notified of any revisions by July 20. Although the municipalities had until August 10 to appeal their values to the Appellate Tax Board, there were no appeals. Final 1998 EQVs were sent to the legislature early in calendar year 1999 for adoption as House Bill 1001.

Uses of EQV

Since EQVs provide uniform and comparable estimates of property values across the state, they are often used as an indicator of municipal wealth in local aid formulas. For example, EQVs are used in some distribution and assessment formulas in which communities with lower property values receive proportionately more aid or are charged less than those with higher property values. The 1998 EQVs will be used to calculate certain state distributions and assessments for FY2000 and FY2001. Local aid receipt programs

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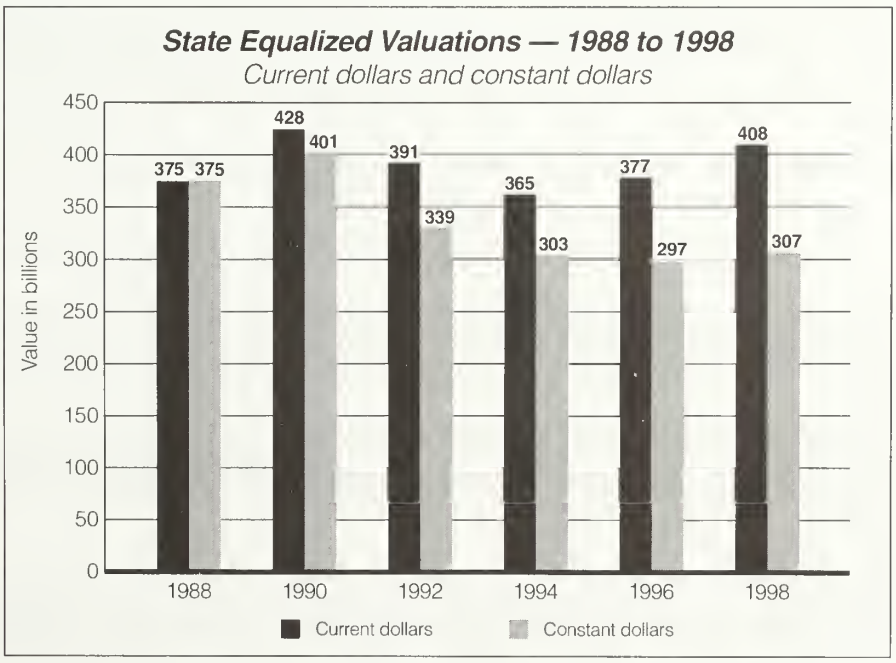
Figure 1



1998 Equalized Valuations

Municipality	1996 EQV	1998 EQV	96 to 98 EQV % change	1998 EQV per capita	Rate per capita
Abington	718,443,400	759,319,700	5.69%	51,714	268
Acton	1,666,438,600	1,867,427,500	12.06%	99,063	80
Acushnet	453,683,700	454,254,900	0.13%	46,150	300
Adams	310,627,800	318,941,200	2.68%	35,656	333
Agawam	1,394,724,700	1,471,926,500	5.54%	55,085	242
Alford	87,499,300	94,855,400	8.41%	229,674	15
Amesbury	797,621,300	859,771,400	7.79%	54,471	247
Amherst	1,046,631,600	1,094,394,100	4.56%	30,856	341
Andover	3,072,063,800	3,523,811,700	14.71%	114,072	56
Arlington	2,999,301,600	3,182,030,200	6.09%	72,889	159
Ashburnham	254,842,400	266,606,300	4.62%	48,731	279
Ashby	129,782,200	139,042,000	7.13%	47,390	293
Ashfield	115,968,300	114,846,100	-0.97%	65,852	189
Ashland	903,469,400	965,638,700	6.88%	74,624	144
Athol	363,713,800	353,288,100	-2.87%	31,662	339
Attleboro	1,698,474,700	1,757,870,300	3.50%	44,993	305
Auburn	875,955,700	926,918,600	5.82%	61,786	209
Avon	406,242,600	434,236,200	6.89%	94,174	84
Ayer	550,418,300	570,214,600	3.60%	77,286	128
Barnstable	4,825,386,900	5,168,638,100	7.11%	118,278	54
Barre	191,231,300	193,356,200	1.11%	40,241	325
Becket	207,417,500	222,583,500	7.31%	147,309	34
Bedford	1,293,047,700	1,412,198,800	9.21%	103,261	70
Belchertown	583,085,000	611,075,300	4.80%	51,980	262
Bellingham	958,717,400	1,051,041,800	9.63%	67,617	180
Belmont	2,376,571,300	2,540,168,700	6.88%	105,647	66
Berkley	289,696,600	302,142,300	4.30%	57,705	233
Berlin	187,963,600	228,258,100	21.44%	97,881	82
Bernardston	104,335,900	108,640,200	4.13%	51,956	263
Beverly	2,365,546,000	2,616,644,400	10.61%	67,796	179
Billerica	2,208,107,500	2,395,219,500	8.47%	61,636	210
Blackstone	339,983,500	361,943,600	6.46%	43,766	310
Blandford	83,610,000	79,900,800	-4.44%	70,273	172
Bolton	376,737,100	440,019,300	16.80%	134,193	40
Boston	31,075,293,700	35,853,362,600	15.38%	64,208	198
Bourne	1,437,733,300	1,543,900,100	7.38%	88,077	100
Boxborough	402,723,400	457,269,800	13.54%	114,921	55
Boxford	757,512,100	889,907,100	17.48%	104,083	69
Boylston	265,089,100	284,257,500	7.23%	74,982	143
Braintree	2,449,092,000	2,720,639,100	11.09%	78,387	123
Brewster	1,129,552,100	1,199,120,800	6.16%	129,481	47
Bridgewater	997,392,300	1,075,584,800	7.84%	45,399	303
Brimfield	174,995,500	179,292,000	2.46%	57,967	229
Brockton	2,811,051,100	2,894,652,600	2.97%	31,353	340
Brookfield	121,898,800	119,382,000	-2.06%	40,954	320
Brookline	5,048,485,400	5,637,538,000	11.67%	104,135	68
Buckland	104,410,600	100,807,800	-3.45%	51,883	264
Burlington	2,048,425,400	2,342,120,200	14.34%	99,694	78
Cambridge	7,593,801,600	8,569,361,200	12.85%	91,448	93
Canton	1,670,684,300	1,883,189,000	12.72%	92,704	88
Carlisle	574,967,000	646,085,300	12.37%	140,484	37
Carver	490,285,400	536,249,600	9.37%	47,502	291
Charlemont	61,392,300	68,337,100	11.31%	54,409	250
Charlton	531,720,300	554,397,200	4.26%	55,038	243
Chatham	1,628,155,200	1,814,375,400	11.44%	261,815	12
Chelmsford	2,129,612,700	2,298,992,900	7.95%	68,659	176
Chelsea	812,415,200	839,088,700	3.28%	30,393	344
Cheshire	149,481,300	154,073,000	3.07%	44,724	306
Chester	64,771,800	67,070,700	3.55%	53,571	255
Chesterfield	62,050,000	67,279,300	8.43%	60,017	215
Chicopee	2,009,630,800	2,017,478,000	0.39%	36,996	331
Chilmark	830,061,200	904,638,400	8.98%	1,184,082	1
Clarksburg	59,068,900	62,812,200	6.34%	37,322	330
Clinton	510,779,700	499,101,700	-2.29%	38,184	329
Cohasset	856,628,200	916,152,800	6.95%	129,583	46
Colrain	94,018,600	89,445,300	-4.86%	48,585	280
Concord	2,269,975,300	2,436,119,900	7.32%	136,922	38
Conway	115,030,800	116,320,000	1.12%	70,754	169
Cummington	60,935,700	63,673,700	4.49%	80,295	118
Dalton	329,135,800	349,298,100	6.13%	50,150	273
Danvers	2,103,970,900	2,167,339,400	3.01%	88,582	98
Dartmouth	2,048,446,800	2,140,901,200	4.51%	76,189	133
Dedham	1,683,887,500	1,893,300,500	12.44%	79,748	119
Deerfield	341,103,300	358,366,200	5.06%	72,120	164
Dennis	2,132,188,600	2,271,547,200	6.54%	157,495	31
Dighton	313,263,400	339,071,400	8.24%	57,754	232
Douglas	328,223,700	364,590,100	11.08%	59,331	222
Dover	933,790,700	1,010,805,100	8.25%	187,777	22
Dracut	1,230,001,400	1,283,735,500	4.37%	46,229	299
Dudley	389,958,100	393,148,000	0.82%	40,631	322
Dunstable	195,678,900	214,676,500	9.71%	83,047	111
Duxbury	1,408,233,000	1,578,071,900	12.06%	105,156	67
E. Bridgewater	621,421,400	648,515,500	4.36%	53,451	256
E. Brookfield	110,979,900	116,459,100	4.94%	57,911	230
E. Longmeadow	961,818,500	1,009,843,900	4.99%	72,703	160
Eastham	862,680,900	879,449,900	1.94%	181,143	25
Easthampton	654,489,600	663,480,800	1.37%	42,142	316
Easton	1,229,042,000	1,364,884,600	11.05%	65,087	193
Edgartown	1,226,925,600	1,450,565,600	18.23%	411,391	5
Egremont	182,770,200	204,939,400	12.13%	166,077	27
Erving	143,781,100	140,752,300	-2.11%	102,291	73
Essex	319,590,500	338,417,500	5.89%	100,480	76
Everett	2,097,750,800	2,180,908,600	3.96%	62,301	205
Fairhaven	868,082,800	929,707,000	7.10%	58,198	228
Fall River	2,813,460,700	2,927,188,100	4.04%	32,215	337
Falmouth	3,618,170,500	3,853,965,400	6.52%	126,563	49
Fitchburg	1,178,184,300	1,179,184,900	0.08%	29,596	346
Florida	55,857,400	55,259,100	-1.07%	75,388	141
Foxborough	1,083,159,400	1,189,724,400	9.84%	74,307	148
Framingham	3,955,109,800	4,233,536,500	7.04%	65,600	192
Franklin	1,760,276,700	2,036,847,400	15.71%	76,389	131
Freetown	478,349,400	494,206,100	3.31%	56,591	237
Gardner	603,909,500	617,076,000	2.18%	30,617	343
Aquinnah*	198,164,900	195,219,200	-1.49%	834,270	3
Georgetown	469,697,100	534,766,000	13.85%	75,810	137
Gill	69,805,300	75,346,100	7.94%	47,417	292
Gloucester	2,091,570,400	2,182,974,100	4.37%	74,588	145
Goshen	63,117,400	64,619,300	2.38%	75,933	134
Gosnold	93,475,000	94,465,800	1.06%	973,874	2
Grafton	686,121,500	754,816,200	10.01%	56,813	236
Granby	292,461,000	292,781,200	0.11%	50,048	274
Granville	97,011,200	100,045,400	3.13%	71,257	167
Grt. Barrington	537,847,200	548,707,300	2.02%	71,670	166
Greenfield	760,475,000	762,981,700	0.33%	41,065	319
Groton	605,556,200	697,673,000	15.21%	79,380	121
Groveland	318,689,700	381,615,800	19.75%	68,024	178
Hadley	365,919,000	408,853,800	11.73%	93,623	86
Halifax	333,267,900	360,794,300	8.26%	52,717	259
Hamilton	621,002,900	678,963,000	9.33%	90,686	94
Hampden	283,779,600	278,054,300	-2.02%	58,637	225
Hancock	89,283,500	85,032,100	-4.76%	144,367	35
Hanover	1,013,626,800	1,081,632,900	6.71%	83,906	109
Hanson	490,380,200	520,393,800	6.12%	54,709	245
Hardwick	120,459,700	120,204,000	-0.21%	46,973	295
Harvard	524,248,300	562,202,100	7.24%	48,508	282
Harwich	1,626,185,400	1,774,872,300	9.14%	156,680	33
Hatfield	264,923,000	282,586,200	6.67%	87,137	102
Haverhill	2,120,295,100	2,323,104,600	9.57%	43,059	312
Hawley	22,418,700	22,463,000	0.20%	68,694	175
Heath	46,358,400	45,573,900	-1.69%	61,503	212
Hingham	2,021,730,100	2,191,461,700	8.40%	108,140	63
Hinsdale	112,261,800	113,648,800	1.24%	60,323	214
Holbrook	510,091,200	524,863,600	2.90%	47,319	294
Holden	850,242,800	894,934,000	5.26%	59,822	218
Holland	147,859,100	155,963,200	5.48%	74,092	149
Holliston	925,422,900	1,009,681,100	9.10%	75,456	140
Holyoke	1,121,974,300	1,257,077,100	12.04%	30,320	345
Hopedale	273,138,400	292,626,600	7.13%	52,060	261
Hopkinton	1,036,439,600	1,211,238,000	16.87%	112,100	58
Hubbardston	179,958,800	177,714,400	-1.25%	52,687	260
Hudson	983,249,800	1,058,347,200	7.64%	59,811	219
Hull	619,736,500	673,535,900	8.68%	64,318	197
Huntington	95,752,400	98,484,600	2.85%	46,324	298
Ipswich	991,783,700	1,113,370,500	12.26%	90,137	96
Kingston	695,879,100	765,144,300	9.95%	73,241	155
Lakeville	605,001,300	632,319,500	4.52%	73,560	152
Lancaster	318,554,000	348,556,900	9.42%	53,280	257
Lanesborough	235,853,100	235,989,700	0.06%	77,298	126
Lawrence	1,124,106,800	1,198,684,000	6.63%	17,421	351
Lee	387,403,200	437,881,200	13.03%	76,246	132
Leicester	395,974,000	415,122,200	4.84%	40,198	326
Lenox	459,095,100	485,932,200	5.85%	96,761	83
Leominster	1,707,632,600	1,727,211,600	1.15%	43,991	308
Leverett	114,412,400	112,863,300	-1.35%	61,506	211
Lexington	3,689,184,800	4,029,658,200	9.23%	136,673	39
Leyden	38,597,300	39,724,400	2.92%	56,108	239
Lincoln	837,001,800	1,006,836,400	20.29%	127,464	48
Littleton	628,787,500	694,245,400	10.41%	90,220	95
Longmeadow	1,192,398,500	1,216,791,100	2.05%	81,862	113
Lowell	2,644,624,100	2,713,255,400	2.60%	26,871	348
Ludlow	922,732,200	944,298,400	2.34%	50,266	272
Lunenburg	496,698,400	542,006,800	9.12%	58,374	227
Lynn	2,451,325,700	2,479,323,300	1.14%	30,775	342
Lynnfield	1,091,309,900	1,150,816,600	5.45%	102,459	72
Malden	1,998,192,800	2,136,555,600	6.92%	40,504	324
Manchester	854,321,900	997,573,000	16.77%	186,219	24
Mansfield	1,391,011,300	1,472,798,900	5.88%	78,315	124
Marblehead	2,249,236,900	2,388,893,800	6.21%	119,606	53
Marion	602,319,400	653,541,800	8.50%	131,949	43
Marlborough	2,155,718,500	2,386,290,000	10.70%	72,369	162
Marshfield	1,651,966,800	1,770,864,300	7.20%	77,293	127
Mashpee	1,298,760,900	1,432,920,600	10.33%	160,372	28
Mattapoisett	620,738,100	608,067,400	-2.04%	98,234	81
Maynard	594,055,900	646,315,300	8.80%	62,074	206
Medfield	1,039,177,400	1,143,475,100	10.04%	99,719	77
Medford	2,850,402,200	3,036,185,900	6.52%	54,034	253
Medway	727,465,900	801,322,700	10.15%	70,347	171
Melrose	1,580,721,000	1,702,010,600	7.67%	62,058	207
Mendon	304,447,700	334,002,200	9.71%	75,927	135
Merrimac	272,194,900	320,047,900	17.58%	56,446	238

Municipality	1996 EQV	1998 EQV	96 to 98 EQV % change	1998 EQV per capita	Rate per capita
Methuen	1,922,748,900	1,959,211,600	1.90%	47,752	288
Middleborough	918,457,000	996,109,100	8.45%	51,881	265
Middlefield	31,068,600	32,870,900	5.80%	73,373	154
Middleton	553,789,900	634,654,000	14.60%	112,847	57
Milford	1,362,827,200	1,448,609,100	6.29%	57,498	234
Millbury	581,586,800	573,552,400	-1.38%	46,521	296
Millis	474,942,900	504,400,400	6.20%	63,327	201
Millville	113,180,900	118,790,300	4.96%	48,845	278
Milton	1,811,114,100	1,898,079,500	4.80%	73,586	151
Monroe	17,687,700	19,778,500	11.82%	175,031	26
Monson	376,479,200	386,067,700	2.55%	48,568	281
Montague	395,147,400	402,912,600	1.97%	48,063	286
Monterey	164,715,400	166,958,100	1.36%	208,437	20
Montgomery	48,768,600	51,909,300	6.44%	66,126	186
Mt. Washington	33,443,200	34,920,100	4.42%	264,546	11
Nahant	314,619,700	319,729,600	1.62%	84,540	107
Nantucket	3,514,157,300	4,667,148,100	32.81%	642,239	4
Natick	2,655,370,000	3,150,223,500	18.64%	100,614	75
Needham	3,131,771,600	3,395,354,400	8.42%	122,012	51
New Ashford	18,787,800	20,119,600	7.09%	111,158	60
New Bedford	2,950,935,400	2,829,354,300	-4.12%	29,198	347
New Braintree	45,860,800	49,508,700	7.95%	52,950	258
New Marlborough	198,830,500	180,449,700	-9.24%	142,987	36
New Salem	51,154,400	53,440,200	4.47%	64,776	194
Newbury	501,494,200	552,185,700	10.11%	92,262	90
Newburyport	1,183,744,500	1,336,744,400	12.93%	80,731	115
Newton	8,906,905,500	9,926,932,200	11.45%	123,719	50
Norfolk	620,850,500	670,735,300	8.03%	64,562	195
N. Adams	446,712,800	424,508,400	-4.97%	26,788	349
N. Andover	1,911,398,400	2,226,893,800	16.51%	91,706	91
N. Attleborough	1,413,941,100	1,566,548,500	10.79%	61,313	213
N. Brookfield	191,043,800	187,984,700	-1.60%	39,025	327
N. Reading	1,043,098,800	1,143,843,700	9.66%	88,540	99
Northampton	1,470,426,100	1,591,616,500	8.24%	55,192	241
Northborough	964,534,800	1,083,923,400	12.38%	84,675	106
Northbridge	538,657,200	593,948,400	10.26%	43,376	311
Northfield	164,051,700	172,129,200	4.92%	59,090	224
Norton	762,852,900	849,587,400	11.37%	54,256	251
Norwell	946,606,700	1,049,001,400	10.82%	108,682	62
Norwood	2,162,907,600	2,181,758,400	0.87%	75,496	139
Oak Bluffs	702,097,000	796,363,900	13.43%	254,592	14
Oakham	88,793,000	91,318,500	2.84%	55,614	240
Orange	239,221,200	245,222,200	2.51%	32,596	336
Orleans	1,186,890,900	1,311,649,000	10.51%	212,069	18
Otis	274,263,800	278,289,300	1.47%	259,841	13
Oxford	529,357,600	557,110,200	5.24%	42,743	314
Palmer	546,694,100	571,254,400	4.49%	47,976	287
Paxton	238,677,600	247,219,600	3.58%	59,990	216
Peabody	3,330,340,100	3,534,645,400	6.13%	73,083	157
Pelham	81,502,400	85,013,400	4.31%	59,533	221
Pembroke	963,754,300	1,056,225,200	9.59%	65,973	188
Pepperell	533,839,800	581,198,100	8.87%	54,799	244
Peru	37,080,000	40,601,000	9.50%	53,919	254
Petersham	79,390,700	76,462,500	-3.69%	66,144	185
Phillipston	75,684,800	79,371,700	4.87%	49,208	277
Pittsfield	1,984,639,200	2,046,640,800	3.12%	44,190	307
Plainfield	46,114,400	51,685,600	12.08%	84,870	105
Plainville	415,746,300	428,016,200	2.95%	59,135	223
Plymouth	3,289,205,600	3,500,046,100	6.41%	72,421	161
Plympton	161,003,800	172,960,500	7.43%	66,167	184
Princeton	234,529,700	243,801,400	3.95%	73,192	156
Provincetown	588,630,600	718,181,300	22.01%	195,105	21
Quincy	4,498,810,500	4,663,349,500	3.66%	54,522	246
Randolph	1,468,588,200	1,480,000,600	0.78%	48,439	284
Raynham	706,935,600	759,113,700	7.38%	72,207	163
Reading	1,675,702,200	1,848,577,900	10.32%	80,527	117
Rehoboth	636,203,300	671,154,800	5.49%	71,751	165
Revere	1,695,498,900	1,747,439,000	3.06%	41,844	318
Richmond	172,806,900	181,803,600	5.21%	111,468	59
Rochester	289,548,900	306,110,700	5.72%	69,681	173
Rockland	791,190,200	852,906,600	7.80%	49,484	276
Rockport	772,507,100	810,246,500	4.89%	106,893	65
Rowe	149,715,600	153,145,200	2.29%	406,221	6
Rowley	335,021,400	382,540,600	14.18%	73,622	150
Royalston	60,049,100	58,282,600	-2.94%	48,448	283
Russell	76,402,800	77,042,400	0.84%	48,333	285
Rutland	248,675,200	267,318,800	7.50%	51,546	270
Salem	2,083,065,400	2,174,217,600	4.38%	57,204	235
Salisbury	525,853,300	563,260,100	7.11%	79,411	120
Sandisfield	124,267,200	123,849,100	-0.34%	187,366	23
Sandwich	1,486,417,600	1,658,139,900	11.55%	92,551	89
Saugus	1,886,327,300	1,989,806,600	5.49%	75,880	136
Savoy	33,713,200	37,415,400	10.98%	54,462	248
Scituate	1,498,124,400	1,612,453,800	7.63%	93,519	87
Seekonk	1,018,081,900	1,049,163,300	3.05%	79,069	122
Sharon	1,280,919,700	1,385,244,900	8.14%	83,028	112
Sheffield	287,818,300	279,284,200	-2.97%	94,130	85
Shelburne	114,117,800	118,825,100	4.12%	58,621	226
Sherborn	607,849,500	644,845,300	6.09%	157,011	32
Shirley	248,609,400	260,549,000	4.80%	34,912	334
Shrewsbury	1,838,100,900	1,994,689,800	8.52%	74,509	146
Shutesbury	109,450,000	113,876,000	4.04%	66,516	183
Somerset	1,402,452,300	1,439,008,400	2.61%	81,213	114
Somerville	2,805,809,000	3,170,880,300	13.01%	42,645	315
S. Hadley	798,598,100	790,564,400	-1.01%	46,376	297
Southampton	284,198,400	290,848,400	2.34%	59,932	217
Southborough	836,931,400	983,173,800	17.47%	133,077	41
Southbridge	524,358,400	552,791,800	5.42%	31,684	338
Southwick	432,240,900	478,181,200	10.63%	59,735	220
Spencer	482,416,500	491,438,700	1.87%	40,645	321
Springfield	4,097,775,200	3,933,745,400	-4.00%	26,234	350
Sterling	430,076,300	451,394,600	4.96%	65,820	190
Stockbridge	373,855,300	374,469,000	0.16%	160,098	29
Stoneham	1,406,201,000	1,517,097,700	7.89%	68,551	177
Stoughton	1,457,014,800	1,589,716,000	9.11%	57,848	231
Stow	470,428,500	503,172,600	6.96%	87,798	101
Sturbridge	478,653,000	496,519,500	3.73%	62,763	202
Sudbury	1,866,486,800	1,966,475,300	5.36%	129,972	45
Sunderland	160,751,600	174,316,500	8.44%	49,536	275
Sutton	472,689,100	496,287,900	4.99%	67,614	181
Swampscott	1,121,853,200	1,223,236,100	9.04%	89,444	97
Swansea	908,797,400	992,116,100	9.17%	63,872	200
Taunton	2,250,229,800	2,387,354,400	6.09%	45,966	301
Templeton	258,133,100	272,078,100	5.40%	38,918	328
Tewksbury	1,830,605,100	1,992,894,400	8.87%	69,575	174
Tisbury	642,116,700	703,100,500	9.50%	210,446	19
Tolland	90,732,900	95,608,800	5.37%	321,915	8
Topsfield	543,986,200	623,117,900	14.55%	102,184	74
Townsend	411,661,700	428,091,000	3.99%	47,582	290
Truro	600,002,500	646,739,500	7.79%	374,054	7
Tyngsborough	524,052,400	627,685,500	19.78%	64,050	199
Tyringham	77,096,000	79,940,200	3.69%	217,229	16
Upton	402,725,600	430,820,200	6.98%	80,693	116
Uxbridge	547,933,000	600,462,400	9.59%	54,454	249
Wakefield	1,712,489,800	1,871,739,500	9.30%	75,608	138
Wales	76,809,300	80,949,000	5.39%	51,692	269
Walpole	1,591,345,300	1,708,689,400	7.37%	76,792	130
Waltham	3,748,643,300	4,202,403,400	12.10%	73,451	153
Ware	388,143,800	398,848,600	2.76%	40,628	323
Wareham	1,245,904,000	1,259,404,900	1.08%	64,436	196
Warren	185,870,000	203,013,100	9.22%	44,994	304
Warwick	39,141,100	38,714,900	-1.09%	50,542	271
Washington	39,232,100	41,320,700	5.32%	66,113	187
Watertown	2,187,958,300	2,370,096,100	8.32%	72,948	158
Wayland	1,450,192,100	1,580,612,800	8.99%	131,269	44
Webster	703,750,400	705,170,500	0.20%	43,829	309
Wellesley	3,914,149,200	4,279,350,300	9.33%	159,624	30
Wellfleet	703,867,400	765,329,900	8.73%	282,097	10
Wendell	43,451,100	41,111,800	-5.38%	43,004	313
Wenham	363,518,900	379,379,800	4.36%	85,774	104
W. Boylston	405,565,700	413,495,800	1.96%	62,414	204
W. Bridgewater	493,167,900	500,391,300	1.46%	75,281	142
W. Brookfield	184,176,700	196,056,100	6.45%	54,174	252
W. Newbury	334,166,900	383,559,700	14.78%	99,085	79
W. Springfield	1,404,520,000	1,358,149,700	-3.30%	51,854	266
W. Stockbridge	149,089,100	157,934,500	5.93%	107,879	64
W. Tisbury	545,653,900	647,326,000	18.63%	298,444	9
Westborough	1,416,340,000	1,667,271,000	17.72%	111,114	61
Westfield	1,675,556,600	1,718,739,200	2.58%	45,785	302
Westford	1,521,187,700	1,705,081,600	12.09%	91,465	92
Westhampton	92,538,000	97,686,800	5.56%	67,463	182
Westminster	390,996,800	411,067,300	5.13%	62,644	203
Weston	2,001,436,800	2,267,712,300	13.30%	217,048	17
Westport	1,168,931,100	1,176,255,000	0.63%	84,060	108
Westwood	1,526,558,900	1,712,391,300	12.17%	132,384	42
Weymouth	2,776,803,700	2,838,467,700	2.22%	51,752	267
Whately	111,349,700	120,805,700	8.49%	83,257	110
Whitman	549,559,400	578,402,000	5.25%	42,087	317
Wilbraham	856,219,400	880,739,000	2.86%	70,884	168
Williamsburg	142,668,500	160,803,300	12.71%	62,014	208
Williamstown	495,770,000	527,623,100	6.42%	65,617	191
Wilmington	1,689,244,100	1,717,300,900	1.66%	86,409	103
Winchendon	321,638,200	326,832,400	1.61%	36,595	332
Winchester	2,258,551,500	2,439,200,800	8.00%	120,051	52
Windsor	60,074,800	58,917,800	-1.93%	76,816	129
Winthrop	800,633,400	825,455,300	3.10%	47,700	289
Woburn	2,687,725,100	2,726,532,500	1.44%	74,438	147
Worcester	5,409,541,600	5,536,578,100	2.35%	33,283	335
Worthington	79,917,500	85,239,900	6.66%	70,446	170
Wrentham	657,863,300	785,205,700	19.36%	78,138	125
Yarmouth	2,161,867,200	2,303,392,500	6.55%	103,129	71
Totals	**377,222,382,300**	**408,164,774,800**	**8.20%**	**66,996**	

*formerly Gay Head

Table 1

1998 Equalized Valuations
➡ *continued from page three*

using EQVs are: Lottery, Public Libraries (Municipal Equalization Grants), and certain components of Chapter 70 aid. Cherry Sheet charges use EQVs as a factor in determining each municipality's share of County Tax, Mosquito Control and Air Pollution Control District assessments. (More in-depth information on the calculation of all distributions and assessments can be found in the FY1999 Cherry Sheet Manual.)

The lottery aid program, the second largest state aid program, uses EQV per capita based on the current EQVs and population data to determine how the annual lottery aid increases are to be allocated among communities. The 1998 EQVs are not used to redistribute the entire lottery aid, only to allocate the additional aid. In other words, in FY2000, communities will receive the same amount distributed in FY1999 plus their share of the additional aid based on the EQV per capita formula. For FY2000, a $72.5 million increase in statewide lottery aid has been proposed in the Governor's budget.

Finally, EQVs are used to compute municipal debt limits. The debt limit for cities is calculated at 2.5 percent of the latest EQVs. For towns, it is set at 5 percent of the latest EQVs. Communities may petition the Emergency Finance Board to increase their debt limit up to 5 percent for cities and 10 percent for towns. Although many borrowing purposes (e.g., water projects, landfill closure and certain sewer projects) are outside of this general debt limit, certain of these purposes have specific debt limitations that are also based on EQVs.

Findings

Table 1 lists for each municipality the 1996 EQVs, the 1998 EQVs, the 1998 EQV per capita, and the statewide rank in EQV per capita. In addition, it provides the percentage change in EQVs between 1996 and 1998. The statewide average 1998 EQV per capita was $66,996 compared with the 1996 state average of $62,442, a 7.3 percent change. The town of Chilmark again had the highest 1998 EQV per capita, $1,184,082, with Gosnold and Aquinnah (Gay Head) close behind at $973,874 and $834,270, respectively. Communities with very high levels of new development and/or marked appreciation in their real estate market but with relatively stable populations experienced the largest percentage increases in their EQV per capita figures. These included Provincetown (22.01 percent), Berlin (21.44 percent) and Lincoln (20.29 percent).

Figure 1 depicts graphically the change in statewide EQVs between 1988 and 1998 in terms of both actual and 1988 dollars. The fluctuations over the years mirror the rise and fall of the statewide real estate market. As was explained in the methodology section, EQVs are primarily tied to real estate prices of two years earlier. 1990 EQVs reflect the market peak of 1987–1988. This was actually a continuation of a rapidly escalating trend noted in the 1988 EQVs. The decreases in the 1992 and 1994 EQVs parallel the downturn in real estate of the early 1990s. With the 3 percent increase in 1996 EQVs, it would be easy to conclude that the signs of a slight market recovery existed. However, when adjusted for inflation (by using constant 1988 dollars), the 1996 EQVs actually continued a slight downward trend. It is only in the latest 1998 values, with a biennial increase of 4 percent in constant and 8 percent in actual dollars, that a true market turnaround can be seen. It is also interesting to note that the current total adjusted EQVs are still considerably less than those of 1988 and 1990.

Table 2 presents the valuation increase between 1996 and 1998 in greater detail so that geographic and property class differences can be noted. There was an upward trend in values across the state of 8.2 percent, although the extent of the rise varied depending on region. The greatest increases occurred in the eastern part of the state, particularly in the Northeast and on the Cape and Islands. The acceleration of values on Martha's Vineyard (Dukes County) and Nantucket, especially in the residential class, was actually responsible for much of the change in the latter
continued on page seven ➡

Table 2

1996–1998 EQV Percent Change

Region	Counties	Residential percent change	C & I percent change	EQV overall percent change
Northeast	Essex, Middlesex, Suffolk	9.18%	13.51%	10.07%
Southeast	Bristol, Norfolk, Plymouth	7.27%	3.92%	6.83%
Cape	Barnstable, Dukes, Nantucket	11.41%	9.41%	11.39%
Central	Worcester	4.98%	7.23%	5.56%
West	Berkshire, Franklin, Hampden, Hampshire	1.61%	6.46%	2.53%
Totals		**7.77%**	**9.82%**	**8.20%**

DLS UPDATE

New Officials Finance Forum

New officials have an opportunity to gain a broad overview and basic understanding of municipal government and the roles of other local officials. The Division of Local Services is presenting two seminars for recently elected or appointed local finance officials on Friday, May 21, in West Springfield and Friday, June 4, in Framingham. Selectmen, mayors, city/town council members, accountants, auditors, assessors, collectors, treasurers, clerks, finance directors, city/town managers and finance committee members and their staffs are invited to participate. New officials will gain a basic understanding of Proposition 2½, budgeting, setting the tax rate, free cash and reserve and debt policies. The structure of the seminar is intended to encourage a team approach to fiscal management. After a presentation by DLS staff, participants will have the opportunity to work with other local officials to calculate a levy limit and to complete a tax recapitulation sheet. Participants will return to their communities with knowledge and understanding that should enable them to be effective and efficient members of their local financial management teams. They will know whom to contact at DLS for technical assistance if needed. Attendees will receive written materials, providing an excellent resource. DLS will award certificates to those who complete the seminar.

FY2000 Growth Factors

The Division of Local Services has provided preliminary FY2000 municipal revenue growth factors (MRGF) to the Department of Education (DOE) to be used to calculate the amount of Chapter 70 aid proposed in the Governor's budget (House 1). Both Chapter 70 and the MRGFs may change as a result of the legislative process. Based on statute, the MRGFs are used to increase the local municipal contribution to support schools and the gross standard of effort used to measure ability to pay under the Education Reform Act. The law provides for a cap on the MRGFs based on the annual percent increase in formula aid for Chapter 70. For FY2000, the factors were capped at 5.55 percent.

The MRGF is an estimate of the percentage change in a municipality's revenue growth for a fiscal year. It represents the combined percentage increase in the following revenue components: automatic 2½ percent increase in the levy limit, estimated new growth, the change in selected unrestricted state aid categories, and the change in selected unrestricted local receipts. The MRGF is the summary of the change in the four components.

Detailed descriptions of the calculation of every community's preliminary FY2000 MGRFs are available on the DLS Web site (see MRGF00.xls). To see a community's numbers, click on the "reports" menu choice. A companion file provides spreadsheets that give the calculations in column format for all 351 cities and towns (see MRGF00C2.xls). For questions call Lisa Juskiewicz or Rick Kingsley at DLS. ■

1998 Equalized Valuations
➡ *continued from page six*

area. Values in these communities jumped 13 percent and 32 percent respectively. The Northeast shift was characterized by a marked increase in the City of Boston's EQVs, especially in the commercial and industrial (C&I) classes. Suffolk County, of which Boston is the primary municipality, experienced a 14.2 percent general increase and a 23.34 percent upswing in C&I values. Overall, the EQVs of the major property classes rose at about the same rate. This is particularly noteworthy since in the last escalating market in the 1980s, residential values significantly outpaced commercial and industrial values. Again regional differences in class shifts can be seen. The Southeast had less growth in C&I values, primarily because there was practically no increase in those classes in Bristol County. In the West, most counties experienced a greater change in C&I than in residential class values, except for Hampshire county in which C&I increased only slightly.

The changes in EQVs, between 1996 and 1998 and historically, demonstrate vividly the need for the local boards of assessors to monitor the market closely and update values annually as needed. It is especially important to institute such a program in those areas of the state with lively and fluctuating real estate markets. The overall level of assessment found in 1998 EQVs is well within the Commonwealth's standard of full and fair cash valuation. However, annual updates can help to ameliorate the natural lag that occurs between changes in the real estate market and assessments. Also, because changes occur in different classes at different rates, it can promote even greater property tax equity. ■

written by Regina McArdle and Donna Demirai

1. M.G.L. Ch. 58, Sec 9, 10, 10A, 10B, and 10C.

Municipal Fiscal Calendar

May 1
Taxpayer: *Deadline for Payment of Semi-Annual and Quarterly Tax Bill Without Interest*

Treasurer: *Deadline for Payment of 2nd Half of County Tax*

Accountant/Treasurer: *Notification of Amount of Debt Due in Next Fiscal Year*

May 15
Treasurer: *3rd Quarterly Reconciliation of Cash (due 45 days after end of quarter)*

DOR/BLA: *Commissioner Determines and Certifies Telephone and Telegraph Company Valuations*

June 1
Clerk: *Certification of Appropriations*

Assessors: *Determine Valuation of Other Municipal or District Land*

Opportunities for Training

A *Telecommunications Appraisal Course* will be given on Wednesday, May 19, at the Abington Town Hall. Sessions will be from 8:30 a.m. to 4:30 p.m.

Two *New Officials Finance Forums* will be given. The first will be held at the Best Western Hotel in West Springfield on Friday, May 21, 1999, and the second will be on Friday, June 4, 1999, at the Sheraton Hotel in Framingham. The forums will be from 8:45 a.m. to 3:00 p.m.

An *Electric Generation, Transmission and Distribution Course* will be given from June 14 through June 17 at the City of Boston Assessing Department, 294 Washington Street Room 534 (The Old South Building), in Boston from 8:30 a.m. to 4:30 p.m.

Contact Training Coordinator Barbara LaVertue at (617) 626-2340 to register or for more information. ■

Our Apologies

The Division of Local Services would like to inform readers that changes made to the *City & Town* mailing list after our March 8 move to Sleeper Street have been lost. Please re-notify DLS of recent address changes by contacting Elaine Lombardi at (617) 626-2337. ■

Countdown to Y2K

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS website at **www.state.ma.us/dls** or by writing to PO Box 9655, Boston, MA 02114-9655.

Marilyn H. Browne, Managing Editor

Jean M. McCarthy, Editor

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CITY & TOWN

Frederick A. Laskey, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

A Publication of the Massachusetts Department of Revenue's Division of Local Services

New Local Option Law Supports Brownfields Redevelopment

Written by J. Todd Fernandez, Director, Governor's Office of Brownfields Revitalization
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Uncollected past property tax obligations often present insurmountable financial impediments to redevelopment of abandoned contaminated industrial properties. As a result, municipal officials must frequently decide whether to pursue collecting accrued back taxes or to forgo them in favor of supporting the redevelopment of urban brownfields. The decision hinges on more than a consideration of the numbers.

Abandoned industrial and commercial properties may impose more burdensome costs upon communities than unpaid back taxes. Such properties may invite crime, blight, inner-city job loss, vandalism and urban sprawl. The dollar costs of these consequences are incalculable, and the human and community impact is severe.

In response, the administration and the legislature enacted a "brownfields bill" in August 1998 that makes several changes to existing law and adds a number of new procedures to help address these serious social and economic problems. For one thing, the new law alters the liability exposure for innocent subsequent owners and secured lenders, and reduces the burden on municipalities. The law also provides $30 million for loans and grants through MassDevelopment, creates a $15 million state loan-guarantee and cost-over run insurance program for private bank loans, and establishes state tax credits up to 50 percent of cleanup costs.

Recognizing that back taxes were a serious problem and that municipalities possessed very little ability to abate them, drafters of the bill included provisions, codified as M.G.L. Ch. 59 §59A, to deal with this difficulty. This new statute makes available a local-option provision that allows municipalities to negotiate outstanding tax obligations associated with contaminated industrial or commercial properties.

Specifically, the brownfields tax abatement law provides as follows:

- The municipality has authority to negotiate an agreement with a private purchaser.
- The private purchaser must be an innocent owner.
- The subject property must be zoned for commercial or industrial use.
- The property must contain oil or hazardous materials.
- The municipality has full discretion to determine terms of repayment, if any.
- The mayor or board of selectmen must sign the agreement.
- The agreement must specify the amount of outstanding obligation, payment term, interest rate (if applicable), and "any other contractual obligations arranged between the parties." It must be notarized and attested to by the town or city clerk, with copies distributed to a number of entities.
- The agreement does not require approval by the Department of Revenue.
- Municipalities must adopt an "implementation by-law" concurrently with the acceptance of this provision that sets forth in detail the person or persons authorized to negotiate and bind the municipality. The by-law should also delineate the scope of abatement authority (e.g., all accrued principal, interest and penalties, or some variation on those categories). A proposed implementation by-law will be generated by the Governor's Office of Brownfields Revitalization in conjunction with DOR.

Municipalities should consider accepting this law in order that it might exercise its provisions when an appropriate situation arises. Regardless of when and how these provisions are utilized, having the authority in place provides flexibility that would not otherwise be available. For example, a provision in MassDevelopment's loan program allows for "priority projects" eligible for up to $2 million in program funds. To access these monies, however, a municipality has to demonstrate a significant financial commitment to the project. Such a commitment can be in the form of a tax abatement program administered under Ch. 59 § 59A.

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LEGAL

in Our Opinion

Q: *A buyer and seller agreed on a purchase price for a property. A separate agreement required the buyer to give to the seller the right to repurchase the property if the buyer defaulted on the mortgage or ceased to be employed by the seller. Under the terms of the agreement, the repurchase price was fixed at varying percentages of the then appraised value of the property depending on the year of resale. Should the assessors consider the repurchase agreement in valuing the property?*

A: No. It is a well-established rule that real estate taxes are assessed on the whole value of the parcel and not merely on the interest of the person being assessed.[1] In other words, the assessment must be based on the parcel's highest and best use, not its value to the current owner. If the terms of a private agreement restrict or affect the use and enjoyment of the property in a way that would affect the parcel's value for a potential buyer, then the private agreement would be relevant to the parcel's value for assessment purposes.[2] If, however, the private agreement merely affects the owner's economic benefits, then the assessors should disregard the agreement. The private agreement, in the case at hand, does not affect the enjoyment of the parcel. Even though the agreement may contain unfavorable economic terms, the agreement has no bearing on the parcel's value. Consequently, the assessors should not discount the parcel's valuation.

Q: *Who is liable for delinquent personal property taxes if the personal property is sold?*

A: The seller is responsible for the taxes. Personal property taxes are assessed to the owner as of January 1 preceding the start of the fiscal year.[3] There is no lien with personal property taxes. Consequently, only the assessed owner is personally liable for the taxes. Even though there may be an agreement between buyer and seller as to the payment of the outstanding personal property taxes, the collector can only bring a civil suit against the assessed owner (seller).[4]

Q: *If a civil suit is barred by the six-year statute of limitations, what remedies are available to the town collector in the collection of delinquent personal property taxes?*

A: The remedies are (a) set-off and (b) denial, revocation or suspension of licenses and permits. Set-off is a viable remedy if the town owes the assessed owner an abatement refund or money for goods or services.[5] Under set-off, the treasurer may on his own initiative, or shall, upon direction of the collector, direct payment of such amounts to the collector to be applied against the outstanding taxes. The remedy of set-off is permissible only if the assessed owner is the same legal entity or person to whom the refund or payment is owed. The alternative remedy is a local option statute that requires the adoption of a local by-law to put into effect.[6] Under the terms of this statute, a community can deny, revoke or suspend certain licenses and permits if the permit applicant owes taxes, or business was conducted "on or about the real estate whose owner has neglected or refused to pay any local taxes, fees, assessments, betterments or any other municipal charges. ..." This law would not apply in the case of unpaid personal property taxes assessed to a firm which did business on real estate where another business is now operating. ■

compiled by James Crowley

1. *Donovan v. Haverhill*, 247 Mass. 69 (1923).
2. *Lodge v. Swampscott*, 216 Mass. 260 (1913).
3. M.G.L. Ch. 59 Sec. 18.
4. M.G.L. Ch. 60 Sec. 35.
5. M.G.L. Ch. 60 Sec. 93.
6. M.G.L. Ch. 40 Sec. 57.

Local Option Law
➡ *continued from page one*

Adoption of Section 59A, however, is merely a preparatory step. Of greater importance is attracting the interest of the private sector in contaminated sites. There are many relatively low-cost actions a municipality may take to advance this process.

Repositioning Properties

Most municipalities do not have sufficient money to clean up and redevelop properties on their own. A municipality, however, can significantly reposition properties for redevelopment.

Redeveloping a brownfield requires removing obstacles. One obstacle may be the unavailability of critical information about a property. Who owns the it? What contamination is there? What is the back tax debt? What is the zoning? What is the commitment of the municipality? Not knowing these things may be enough to make a developer look elsewhere — turning to industrial parks and greenfields.

Here are a few suggestions as to how a municipality may best prepare its own brownfields for consideration by private developers and businesses:

- **Create an inventory of suspected contaminated commercial and industrial sites.** The list does not have to be complete or official. Ask the city council members or selectmen to give you a list from their own personal knowledge of sites they see driving around their neighborhoods.

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Focus on Municipal Finance

Local Revenue Components

Four sources of revenue support local spending: the property tax levy, state aid, local receipts and other revenues.[1] In this issue we look at each source as a percent of the total FY1999 budget in each Massachusetts city and town. We identify the five communities with the highest percentages of the total, as well as the five lowest, with respect to each component. The article also discusses how those percentages have changed over time for the state as a whole.

Property Tax Levy

The property tax levy is the revenue a city or town raises through real and personal property taxes. Since 1982, the amount of money a community can raise from this source has been constrained by the limits imposed by Proposition 2½. The amount of a community's levy is limited to 2.5 percent of the total assessed value (commonly known as the levy ceiling). Also annual increases in the levy are limited to no more than 2.5 percent of the prior year's levy limit, plus certified new growth and any additional property taxes authorized by override referenda. Communities can also increase their levy limit temporarily through debt or capital outlay expenditure exclusion referenda.

Statewide in FY1999, the property tax provided slightly more than half of local revenues (50.2 percent). For most communities, the property tax constitutes the largest single source of revenue. The five communities with the highest share of local revenue provided by the property tax levy are New Marlborough (86.07 percent), Dover (83.32 percent), Sherborn (82.99 percent), Stow (81.19 percent) and Dunstable (81.01 percent). All of these communities that rely heavily on the property tax are relatively small towns that belong to regional school districts. In a regional school district, all education aid is paid directly to the school district, so the towns appear to receive little state aid (six percent or less of total revenues for these towns). The five communities with the lowest percentage share are Lawrence (16.94 percent), Chelsea (22.42 percent), Fall River (23.14 percent), Winchendon (24.99 percent) and Holyoke (25.11 percent). These communities receive a high portion of their total budgets from state aid.

State Aid

In FY1999 state aid provided 27.3 percent of the total receipts statewide. State aid is allocated directly to cities, towns and regional school districts through the Cherry Sheet programs. Cherry Sheet aid includes distributions that provide funds according to various formulas, reimbursements for all or part of the costs incurred during a prior period for certain programs or services, and offset items that are funds which must be spent for specific municipal functions. Chapter 70 aid, the largest single distribution program, is education aid designed to ensure equitable and adequate funding of schools. The Chapter 70 aid bridges the gap between a community's educational costs and their ability to raise enough revenue to meet those needs. Lottery aid is a general purpose financial assistance program. Any additional lottery money is allocated by an equalizing formula giving more aid to communities with lower property values and large populations and less aid to those with higher values and smaller populations. This amount is then added to the prior year's base. The five communities receiving the highest percentage of state aid are cities with large populations but low property values: Lawrence (67.99 percent), Holyoke (62.76 percent), Springfield (60.59 percent), Chelsea (60.30 percent), and Fall River (59.90 percent). Equalized valuations are used in several of the Cherry Sheet distribution formulas. When ranked on equalized property values per capita, these five cities are at or near the bottom — Lawrence (351), Holyoke (345), Springfield (350), Chelsea (344) and Fall River (337). The five with the lowest percentage provided by state aid are communities with higher property values and fewer students resulting from a large number of summer residents: Chilmark (0.15 percent), Aquinnah (formerly Gay Head) (0.40 percent), Nantucket (1.48 percent), Dennis (2.14 percent), and Gosnold (2.15 percent). Chilmark, Aquinnah and Dennis are in regional school districts and therefore receive less direct aid for education. When ranked on equalized valuations per capita, these towns are at or near the top of the list: Chilmark (1), Aquinnah (3), Nantucket (4), Dennis (31) and Gosnold (2).

Local Receipts

Local receipts are revenues generated at the local level from a variety of different sources. Motor vehicle excise; fines, licenses and permits; charges for water, sewer and trash collection services; and investment income are some of the most common. Local receipts can be included in the general fund or reserved for a specific departmental use. Local receipts comprised 17.5 percent of statewide revenues. The five communities generating the largest percentage share of revenues through local receipts are Norwood (46.71 percent), Russell (39.88 percent), Haverhill (39.67 percent), Yarmouth (34.34 percent), and Provincetown (33.77 percent). Some of these towns have additional sources of revenues in this category. For example, Norwood has a municipal light depart-

continued on page six ➡

Revenue Components as a Percentage of Total Receipts

Municipality	Tax levy	State aid	Local receipts	All other	Total receipts
Abington	50.37%	28.28%	13.93%	7.41%	26,529,952
Acton	76.01%	7.07%	13.90%	3.02%	43,893,535
Acushnet	40.67%	36.24%	17.92%	5.18%	16,157,540
Adams	56.23%	19.55%	9.70%	14.52%	9,801,799
Agawam	50.08%	30.37%	15.46%	4.09%	49,427,002
Alford	80.28%	3.04%	8.72%	7.96%	835,290
Amesbury	44.16%	34.36%	16.04%	5.45%	34,609,144
Amherst	42.74%	26.04%	24.76%	6.46%	48,288,606
Andover	67.38%	9.88%	17.94%	4.81%	86,205,568
Aquinnah	65.63%	0.40%	18.82%	15.16%	1,872,975
Arlington	62.72%	19.14%	16.07%	2.07%	83,615,267
Ashburnham	65.54%	9.88%	20.68%	3.89%	7,085,634
Ashby	72.86%	12.39%	8.58%	6.18%	3,331,713
Ashfield	70.38%	11.20%	13.08%	5.34%	2,722,537
Ashland	65.02%	14.15%	19.56%	1.28%	27,602,669
Athol	47.18%	19.08%	22.96%	10.78%	10,595,924
Attleboro	38.87%	38.11%	21.51%	1.51%	77,078,483
Auburn	59.00%	19.65%	15.15%	6.20%	25,939,051
Avon	65.48%	13.14%	10.58%	10.81%	10,928,757
Ayer	53.76%	27.17%	15.41%	3.66%	17,763,656
Barnstable	62.97%	8.89%	23.29%	4.85%	95,324,678
Barre	52.24%	13.06%	26.42%	8.27%	5,931,149
Becket	72.47%	5.46%	9.30%	12.77%	3,300,298
Bedford	63.26%	8.00%	13.18%	15.56%	42,022,008
Belchertown	42.50%	39.81%	10.32%	7.37%	23,893,910
Bellingham	51.82%	29.88%	12.87%	5.43%	30,867,027
Belmont	59.80%	10.77%	20.95%	8.48%	60,990,072
Berkley	38.88%	50.02%	6.74%	4.36%	9,095,849
Berlin	63.37%	16.50%	6.93%	13.20%	5,352,181
Bernardston	68.35%	15.43%	9.55%	6.68%	2,785,415
Beverly	56.77%	16.56%	24.85%	1.82%	75,672,109
Billerica	58.58%	23.64%	13.36%	4.41%	83,082,089
Blackstone	55.37%	12.51%	16.29%	15.83%	9,868,157
Blandford	66.01%	9.76%	16.88%	7.35%	1,610,881
Bolton	76.20%	8.63%	5.66%	9.51%	9,420,403
Boston	51.07%	31.86%	15.51%	1.56%	1,604,210,644
Bourne	58.74%	17.57%	17.50%	6.20%	32,920,857
Boxborough	73.47%	9.11%	10.22%	7.19%	10,372,709
Boxford	74.02%	10.78%	8.91%	6.28%	17,411,861
Boylston	66.15%	10.14%	14.26%	9.44%	6,834,053
Braintree	55.13%	14.73%	26.36%	3.78%	77,212,889
Brewster	68.37%	7.45%	18.75%	5.42%	22,417,800
Bridgewater	53.27%	14.59%	22.48%	9.66%	29,477,578
Brimfield	47.46%	28.74%	11.06%	12.75%	5,753,707
Brockton	29.13%	49.09%	16.96%	4.82%	222,691,414
Brookfield	35.24%	40.25%	12.17%	12.34%	5,661,768
Brookline	63.91%	9.51%	22.87%	3.72%	144,274,647
Buckland	67.95%	9.76%	13.64%	8.66%	2,720,883
Burlington	68.67%	10.25%	15.88%	5.21%	63,461,351
Cambridge	49.83%	13.26%	22.88%	14.04%	319,101,237
Canton	64.64%	10.30%	20.06%	5.01%	45,655,699
Carlisle	78.11%	10.50%	7.60%	3.79%	12,822,035
Carver	42.42%	42.65%	5.76%	9.17%	24,868,916
Charlemont	65.03%	10.67%	8.18%	16.11%	2,141,705
Charlton	66.83%	10.63%	14.02%	8.52%	11,178,358
Chatham	66.70%	2.22%	18.99%	12.10%	25,301,618
Chelmsford	65.24%	18.69%	9.84%	6.23%	66,766,400
Chelsea	22.42%	60.30%	17.24%	0.05%	86,241,340
Cheshire	55.12%	20.15%	20.92%	3.81%	3,072,121
Chester	70.09%	12.94%	13.45%	3.52%	1,535,278
Chesterfield	75.93%	12.05%	5.34%	6.68%	1,735,663
Chicopee	37.66%	43.24%	17.99%	1.11%	101,504,263
Chilmark	68.06%	0.15%	13.36%	18.42%	4,207,998
Clarksburg	32.76%	56.11%	8.78%	2.35%	2,644,440
Clinton	40.69%	44.89%	13.66%	0.75%	23,059,971
Cohasset	65.66%	8.16%	15.81%	10.37%	21,462,161
Colrain	75.60%	13.24%	5.95%	5.21%	2,018,482
Concord	78.85%	8.70%	8.67%	3.77%	40,807,319
Conway	56.69%	25.98%	4.57%	12.76%	3,717,184
Cummington	61.89%	9.53%	9.67%	18.90%	1,437,159
Dalton	61.12%	12.34%	12.57%	13.98%	9,825,986
Danvers	57.79%	12.18%	25.03%	5.01%	58,572,852
Dartmouth	56.67%	19.99%	19.72%	3.63%	43,492,497
Dedham	65.96%	13.78%	15.15%	5.11%	50,012,601
Deerfield	50.69%	17.78%	18.32%	13.21%	9,175,584
Dennis	64.61%	2.14%	22.26%	10.99%	29,479,027
Dighton	66.99%	8.72%	12.66%	11.64%	7,756,600
Douglas	44.89%	39.09%	9.67%	6.34%	13,090,972
Dover	83.32%	3.24%	9.26%	4.18%	13,858,628
Dracut	47.54%	35.68%	12.95%	3.83%	44,950,879
Dudley	47.24%	15.35%	28.90%	8.51%	8,995,845
Dunstable	81.01%	5.43%	5.87%	7.69%	4,090,485
Duxbury	67.28%	8.80%	17.47%	6.45%	36,543,388
E. Bridgewater	44.69%	39.23%	8.90%	7.19%	25,295,634
E. Brookfield	46.64%	12.99%	19.84%	20.53%	2,182,116
E. Longmeadow	64.68%	15.97%	12.84%	6.51%	28,243,103
Eastham	77.71%	3.09%	10.87%	8.32%	12,416,893
Easthampton	39.07%	36.31%	17.20%	7.43%	27,032,185
Easton	55.37%	23.04%	15.92%	5.67%	39,110,241
Edgartown	70.66%	3.26%	21.16%	4.92%	16,731,018
Egremont	72.93%	4.13%	16.02%	6.92%	2,594,320
Erving	61.94%	6.85%	13.63%	17.59%	4,854,754
Essex	62.82%	14.03%	17.44%	5.71%	6,797,762
Everett	57.53%	25.18%	14.89%	2.41%	82,318,195
Fairhaven	39.81%	28.54%	15.63%	16.02%	34,134,202
Fall River	23.14%	59.90%	13.69%	3.27%	166,766,557
Falmouth	66.68%	9.09%	16.56%	7.66%	66,406,547
Fitchburg	29.15%	48.37%	21.57%	0.90%	77,966,759
Florida	56.62%	27.80%	5.16%	10.41%	2,076,406
Foxborough	54.47%	22.43%	17.35%	5.76%	32,630,626
Framingham	60.08%	13.24%	21.44%	5.25%	147,627,226
Franklin	48.37%	29.19%	17.42%	5.01%	59,472,594
Freetown	61.10%	15.21%	12.86%	10.84%	12,164,969
Gardner	28.60%	47.43%	20.87%	3.10%	38,041,474
Georgetown	52.61%	22.30%	16.21%	8.88%	14,672,127
Gill	67.05%	13.44%	6.35%	13.16%	1,638,087
Gloucester	56.02%	18.18%	19.87%	5.93%	63,352,212
Goshen	78.96%	7.60%	7.56%	5.88%	1,392,646
Gosnold	28.58%	2.15%	28.67%	40.59%	838,158
Grafton	51.68%	26.56%	7.94%	13.81%	22,030,721
Granby	44.17%	32.69%	11.72%	11.42%	10,028,481
Granville	52.44%	35.05%	6.28%	6.23%	2,942,021
Grt. Barrington	68.07%	6.22%	16.74%	8.98%	13,508,519
Greenfield	38.75%	31.29%	13.06%	16.90%	40,154,319
Groton	71.39%	4.16%	20.96%	3.49%	17,033,544
Groveland	68.28%	11.93%	17.24%	2.54%	7,879,369
Hadley	53.84%	16.25%	23.23%	6.69%	9,271,565
Halifax	45.84%	26.98%	17.18%	10.00%	12,775,544
Hamilton	75.07%	4.97%	13.76%	6.20%	14,166,134
Hampden	80.78%	9.21%	9.34%	0.68%	6,377,293
Hancock	50.78%	17.67%	20.91%	10.64%	1,128,583
Hanover	60.78%	19.04%	16.28%	3.90%	30,159,793
Hanson	65.28%	11.27%	13.48%	9.97%	13,510,971
Hardwick	56.20%	16.15%	14.91%	12.74%	3,375,248
Harvard	61.08%	27.42%	8.81%	2.69%	12,913,574
Harwich	62.16%	7.91%	18.95%	10.97%	31,775,726
Hatfield	53.28%	17.10%	20.46%	9.17%	6,161,906
Haverhill	28.96%	28.78%	39.67%	2.59%	152,092,598
Hawley	59.37%	18.05%	3.62%	18.96%	569,033
Heath	61.25%	21.16%	8.69%	8.90%	1,368,964
Hingham	69.95%	10.40%	13.87%	5.78%	46,653,475
Hinsdale	51.12%	7.67%	7.47%	33.74%	3,467,899
Holbrook	51.52%	26.52%	14.40%	7.56%	20,958,152
Holden	65.70%	8.17%	21.54%	4.59%	24,048,628
Holland	63.94%	20.39%	6.79%	8.89%	4,108,690
Holliston	60.93%	23.53%	11.59%	3.94%	28,636,443
Holyoke	25.11%	62.76%	8.33%	3.81%	113,962,681
Hopedale	48.10%	34.71%	12.62%	4.57%	11,832,011
Hopkinton	67.07%	11.94%	16.05%	4.94%	28,594,120
Hubbardston	68.24%	8.80%	15.11%	7.86%	3,874,974
Hudson	51.38%	21.08%	18.90%	8.64%	34,567,855
Hull	52.61%	26.89%	15.92%	4.58%	25,469,344
Huntington	61.77%	12.92%	17.72%	7.60%	2,382,624
Ipswich	57.94%	15.80%	17.77%	8.48%	25,645,015
Kingston	63.35%	16.49%	14.57%	5.59%	19,784,554
Lakeville	59.87%	23.03%	12.42%	4.68%	13,353,425
Lancaster	58.21%	10.56%	14.87%	16.36%	8,443,124
Lanesborough	66.25%	15.97%	10.70%	7.09%	5,859,762
Lawrence	16.94%	67.99%	13.28%	1.79%	162,473,275
Lee	53.17%	18.45%	20.35%	8.04%	11,851,565
Leicester	33.84%	51.31%	6.06%	8.79%	18,369,063
Lenox	45.52%	18.61%	25.63%	10.24%	13,959,344
Leominster	37.85%	40.78%	12.60%	8.77%	75,923,965
Leverett	71.39%	11.78%	7.76%	9.07%	3,227,825
Lexington	64.16%	8.19%	23.54%	4.11%	91,845,007
Leyden	77.45%	9.61%	6.85%	6.10%	890,945
Lincoln	66.74%	12.72%	9.72%	10.82%	19,196,763
Littleton	66.43%	10.31%	19.12%	4.14%	17,166,279
Longmeadow	65.46%	14.00%	13.56%	6.99%	35,733,844
Lowell	26.36%	55.14%	14.46%	4.04%	236,284,839
Ludlow	43.26%	33.41%	17.63%	5.70%	34,111,171
Lunenburg	61.99%	25.00%	8.14%	4.87%	15,360,395
Lynn	29.55%	58.85%	9.40%	2.21%	183,044,855
Lynnfield	68.26%	12.73%	10.72%	8.30%	22,208,380
Malden	40.80%	36.63%	22.37%	0.20%	97,755,501
Manchester	69.26%	5.32%	21.18%	4.25%	15,546,489
Mansfield	48.94%	20.42%	16.89%	13.76%	51,532,186
Marblehead	63.39%	7.34%	21.75%	7.52%	44,154,132
Marion	73.02%	4.48%	12.97%	9.53%	11,408,416
Marlborough	63.21%	14.10%	20.13%	2.57%	76,290,797
Marshfield	50.34%	23.70%	19.58%	6.38%	53,085,348
Mashpee	63.37%	13.70%	9.12%	13.81%	30,873,444
Mattapoisett	67.25%	5.83%	21.65%	5.27%	13,852,553
Maynard	61.95%	20.53%	12.95%	4.57%	20,499,592
Medfield	65.25%	14.65%	17.15%	2.95%	26,847,960
Medford	52.14%	25.82%	19.27%	2.77%	101,024,329
Medway	57.01%	24.82%	14.82%	3.36%	25,177,263
Melrose	55.28%	22.46%	16.45%	5.81%	51,506,698
Mendon	69.02%	5.35%	16.66%	8.97%	6,652,830
Merrimac	49.77%	12.46%	23.47%	14.30%	9,003,708

Municipality	Tax levy	State aid	Local receipts	All other	Total receipts
Methuen	42.40%	36.77%	18.12%	2.72%	79,440,814
Middleborough	40.28%	39.18%	12.41%	8.13%	41,259,824
Middlefield	75.90%	10.83%	9.13%	4.14%	737,907
Middleton	70.98%	9.79%	10.47%	8.76%	13,222,388
Milford	54.90%	27.79%	12.78%	4.53%	50,567,286
Millbury	46.57%	34.06%	10.15%	9.22%	18,414,197
Millis	55.23%	19.39%	15.35%	10.04%	15,795,424
Millville	64.59%	11.18%	10.55%	13.69%	3,072,387
Milton	60.73%	12.62%	19.31%	7.34%	53,754,178
Monroe	51.82%	16.80%	7.69%	23.68%	488,069
Monson	37.54%	43.67%	12.41%	6.38%	16,139,365
Montague	64.24%	10.89%	19.73%	5.15%	11,166,827
Monterey	78.99%	6.06%	8.65%	6.30%	1,904,767
Montgomery	62.73%	8.18%	7.77%	21.32%	1,161,423
Mt. Washington	55.93%	29.72%	10.06%	4.29%	363,526
Nahant	58.08%	10.00%	28.84%	3.08%	7,716,074
Nantucket	55.47%	1.48%	32.99%	10.07%	51,582,704
Natick	61.82%	12.80%	19.01%	6.38%	72,791,084
Needham	64.16%	8.50%	20.91%	6.43%	73,111,035
New Ashford	47.03%	26.73%	15.42%	10.83%	339,866
New Bedford	26.22%	53.04%	20.73%	0.00%	202,660,414
New Braintree	73.55%	14.34%	6.55%	5.56%	1,114,037
New Marlborough	86.07%	5.56%	8.31%	0.07%	2,391,343
New Salem	54.61%	11.81%	27.11%	6.48%	1,359,801
Newbury	71.89%	13.66%	9.73%	4.73%	10,147,007
Newburyport	61.85%	17.54%	18.15%	2.46%	35,152,781
Newton	67.77%	7.54%	20.68%	4.01%	212,624,482
Norfolk	60.71%	20.25%	14.42%	4.61%	18,364,882
N. Adams	25.24%	56.30%	15.30%	3.16%	30,448,348
N. Andover	60.90%	13.67%	23.36%	2.07%	50,093,573
N. Attleboro	40.87%	29.07%	19.37%	10.69%	54,044,511
N Brookfield	26.53%	46.82%	15.63%	11.03%	9,054,005
N. Reading	57.10%	15.25%	20.69%	6.97%	32,220,406
Northampton	42.45%	25.48%	31.42%	0.65%	54,321,868
Northborough	67.41%	12.42%	15.45%	4.73%	26,227,734
Northbridge	34.04%	49.64%	11.71%	4.61%	24,309,139
Northfield	66.55%	12.85%	12.12%	8.48%	3,981,705
Norton	41.71%	32.88%	12.31%	13.10%	30,848,974
Norwell	70.19%	12.56%	12.48%	4.77%	23,741,888
Norwood	38.43%	10.92%	46.71%	3.94%	82,253,129
Oak Bluffs*	69.48%	7.27%	16.86%	6.39%	12,515,285
Oakham	62.86%	13.11%	12.56%	11.48%	1,889,373
Orange	29.80%	45.02%	12.97%	12.21%	15,632,583
Orleans	64.18%	3.41%	20.81%	11.60%	17,106,786
Otis	79.40%	4.01%	4.74%	11.85%	2,907,729
Oxford	36.41%	38.59%	5.79%	19.22%	23,819,952
Palmer	37.80%	47.98%	11.30%	2.91%	24,604,846
Paxton	69.75%	8.01%	17.32%	4.92%	6,016,830
Peabody	44.75%	22.58%	27.08%	5.59%	95,043,279
Pelham	65.88%	9.85%	11.45%	12.82%	2,542,848
Pembroke	58.20%	21.12%	14.46%	6.22%	27,834,918
Pepperell	61.95%	8.50%	19.21%	10.34%	14,051,863
Peru	67.83%	21.03%	6.31%	4.83%	995,638
Petersham	55.80%	19.31%	22.32%	2.57%	1,626,922
Phillipston	64.27%	11.21%	10.28%	14.25%	1,724,130
Pittsfield	43.06%	40.93%	15.12%	0.89%	85,980,499
Plainfield	74.72%	10.54%	6.32%	8.43%	952,661
Plainville	50.72%	17.59%	16.66%	15.03%	12,708,186
Plymouth	60.52%	21.12%	12.96%	5.40%	111,011,024
Plympton	69.54%	17.01%	7.37%	6.09%	4,371,799
Princeton	67.09%	13.26%	11.37%	8.28%	6,017,363
Provincetown	50.80%	4.35%	33.77%	11.09%	15,500,807
Quincy	50.55%	20.89%	22.21%	6.35%	177,531,387
Randolph	47.59%	27.65%	15.93%	8.83%	55,167,824
Raynham	66.16%	9.68%	15.16%	9.00%	15,958,008
Reading	53.93%	18.75%	22.92%	4.40%	53,162,851
Rehoboth	75.18%	8.48%	12.86%	3.48%	11,501,078
Revere	42.76%	39.40%	16.04%	1.79%	85,129,688
Richmond	68.08%	13.80%	9.52%	8.60%	3,404,746
Rochester	45.66%	16.36%	27.18%	10.80%	9,289,211
Rockland	42.68%	33.41%	19.24%	4.67%	34,704,535
Rockport	59.70%	12.48%	19.50%	8.32%	20,301,561
Rowe	79.66%	2.26%	4.88%	13.20%	2,029,055
Rowley	66.00%	11.68%	15.76%	6.56%	8,385,478
Royalston	31.74%	9.74%	6.24%	52.28%	2,290,139
Russell	47.18%	7.87%	39.88%	5.07%	2,614,247
Rutland	49.00%	10.84%	24.53%	15.64%	7,716,359
Salem	51.86%	25.05%	20.77%	2.32%	85,180,152
Salisbury	64.74%	5.93%	25.37%	3.96%	12,639,762
Sandisfield	61.92%	6.13%	4.98%	26.97%	1,858,737
Sandwich	67.87%	18.69%	7.17%	6.26%	36,801,002
Saugus	62.97%	15.96%	17.54%	3.53%	47,471,795
Savoy	40.20%	42.30%	5.63%	11.86%	1,268,523
Scituate	57.37%	12.76%	18.89%	10.97%	41,418,810
Seekonk	64.18%	16.78%	13.44%	5.60%	25,848,084
Sharon	68.62%	14.65%	10.58%	6.15%	37,853,834
Sheffield	80.53%	5.50%	11.39%	2.58%	5,328,331
Shelburne	67.23%	10.90%	12.32%	9.55%	2,535,572
Sherborn	82.99%	4.48%	6.70%	5.82%	11,809,114
Shirley	40.54%	46.79%	8.83%	3.84%	9,160,503
Shrewsbury	51.87%	16.98%	16.27%	14.88%	51,258,068
Shutesbury	60.58%	21.27%	7.82%	10.33%	3,914,015
Somerset	70.64%	9.98%	15.05%	4.33%	36,251,509
Somerville	35.26%	41.13%	17.93%	5.68%	137,620,769
S. Hadley	48.44%	29.91%	17.04%	4.61%	25,848,627
Southampton	52.68%	30.25%	12.49%	4.58%	8,074,881
Southborough	70.64%	5.79%	14.77%	8.81%	19,950,483
Southbridge	25.16%	50.83%	17.75%	6.26%	32,011,761
Southwick	64.04%	9.69%	15.89%	10.38%	11,014,574
Spencer	48.85%	17.57%	21.79%	11.80%	11,673,614
Springfield	27.75%	60.59%	10.68%	0.98%	356,945,338
Sterling	63.43%	6.15%	16.26%	14.16%	11,031,384
Stockbridge	66.83%	2.52%	14.48%	16.17%	5,386,881
Stoneham	54.23%	15.45%	23.58%	6.74%	44,246,502
Stoughton	53.40%	20.42%	22.90%	3.28%	55,328,528
Stow	81.19%	3.52%	9.83%	5.46%	11,442,616
Sturbridge	62.29%	12.05%	20.13%	5.53%	14,389,329
Sudbury	77.18%	10.53%	9.56%	2.73%	41,970,181
Sunderland	54.98%	28.48%	9.63%	6.91%	4,840,284
Sutton	52.93%	28.98%	7.72%	10.37%	14,317,000
Swampscott	67.53%	11.01%	18.71%	2.74%	31,022,480
Swansea	62.14%	29.14%	7.61%	1.11%	22,315,636
Taunton	32.40%	36.61%	21.04%	9.96%	110,071,707
Templeton	39.53%	16.40%	31.97%	12.10%	7,263,337
Tewksbury	55.84%	21.63%	16.16%	6.36%	56,835,630
Tisbury	69.08%	3.97%	13.49%	13.46%	13,207,071
Tolland	75.32%	12.57%	8.84%	3.27%	565,607
Topsfield	72.89%	9.83%	11.84%	5.44%	12,812,962
Townsend	69.18%	10.48%	11.02%	9.32%	10,871,718
Truro	68.47%	5.84%	11.31%	14.38%	7,134,439
Tyngsboro	54.67%	29.67%	9.53%	6.13%	21,259,116
Tyringham	76.67%	8.31%	6.26%	8.76%	942,206
Upton	70.22%	6.89%	18.93%	3.96%	7,856,085
Uxbridge	41.40%	36.74%	11.64%	10.21%	22,356,134
Wakefield	55.91%	14.35%	22.58%	7.15%	54,690,525
Wales	49.34%	32.52%	8.69%	9.45%	2,705,182
Walpole	58.73%	17.11%	20.02%	4.14%	43,716,870
Waltham	59.73%	13.89%	21.62%	4.77%	130,836,474
Ware	41.77%	40.21%	8.70%	9.31%	17,794,155
Wareham	44.02%	32.76%	17.36%	5.86%	40,907,650
Warren	57.80%	12.87%	21.12%	8.21%	5,192,699
Warwick	67.65%	21.92%	7.04%	3.39%	994,744
Washington	64.19%	23.42%	12.36%	0.03%	847,461
Watertown	56.78%	17.28%	23.53%	2.41%	68,596,007
Wayland	74.16%	9.77%	10.46%	5.61%	37,550,895
Webster	39.94%	33.37%	19.16%	7.53%	26,639,268
Wellesley	72.59%	9.33%	13.96%	4.12%	60,646,281
Wellfleet	68.94%	4.50%	11.27%	15.29%	9,535,108
Wendell	60.04%	19.83%	18.41%	1.71%	1,419,675
Wenham	75.70%	6.61%	11.70%	5.98%	7,489,479
W. Boylston	57.45%	21.95%	11.94%	8.66%	12,619,267
W. Bridgewater	60.96%	19.20%	16.29%	3.55%	14,257,587
W. Brookfield	53.30%	9.49%	13.90%	23.31%	4,677,655
W. Newbury	73.00%	4.91%	13.88%	8.21%	7,112,771
W. Springfield	52.80%	25.87%	15.55%	5.77%	57,667,977
W. Stockbridge	79.12%	4.51%	9.35%	7.01%	2,921,132
W. Tisbury	79.34%	10.46%	6.40%	3.79%	7,472,489
Westborough	57.43%	8.73%	22.90%	10.94%	45,683,450
Westfield	38.86%	38.82%	17.55%	4.78%	79,263,009
Westford	64.06%	17.00%	12.39%	6.56%	44,709,121
Westhampton	60.14%	24.82%	6.83%	8.21%	2,740,751
Westminster	63.30%	7.16%	15.32%	14.22%	9,774,301
Weston	73.27%	6.18%	14.08%	6.46%	39,117,974
Westport	56.09%	22.51%	16.38%	5.02%	20,329,859
Westwood	71.83%	7.65%	16.82%	3.70%	37,850,418
Weymouth	46.66%	27.11%	22.13%	4.10%	100,938,684
Whately	69.56%	14.47%	10.05%	5.91%	3,094,499
Whitman	58.20%	10.31%	19.12%	12.37%	19,771,480
Wilbraham	69.05%	5.61%	19.97%	5.37%	21,332,911
Williamsburg	59.75%	19.95%	15.94%	4.36%	3,765,515
Williamstown	56.50%	12.89%	23.80%	6.82%	13,876,727
Wilmington	71.57%	13.18%	12.54%	2.71%	42,887,639
Winchendon	24.99%	56.27%	8.78%	9.97%	20,869,735
Winchester	71.68%	8.75%	15.73%	3.85%	48,306,549
Windsor	66.70%	14.30%	9.55%	9.46%	1,216,835
Winthrop	37.81%	32.10%	21.68%	8.41%	29,651,171
Woburn	56.33%	14.19%	22.89%	6.59%	80,505,879
Worcester	34.60%	46.14%	18.43%	0.83%	374,540,134
Worthington	69.81%	9.47%	9.94%	10.79%	1,649,078
Wrentham	60.38%	21.15%	9.44%	9.02%	19,875,389
Yarmouth	55.62%	2.85%	34.34%	7.19%	49,525,375
State total	**50.20%**	**27.30%**	**17.50%**	**5.00%**	**100.00%**

Note: FY1998 data was used for Oak Bluffs
Source: FY1999 tax rate recapitulation sheets

Table 1

Local Revenue Components
➡ *continued from page three*

ment. Haverhill has a hospital. Yarmouth and Provincetown have larger amounts of boat excise and hotel/motel excise. Provincetown also receives tuition payments from surrounding towns without their own high schools. Russell received a one-time revenue from the sale of timber. The five communities generating the lowest percentages of local receipts are all small towns in western Massachusetts: Hawley (3.62 percent), Conway (4.57 percent), Otis (4.74 percent), Rowe (4.88 percent), and Sandisfield (4.9 percent).

Other Revenues

All revenues that do not fall into one of the other categories are included in the Other Revenue category. Free cash, overlay surplus, gifts and bequests, stabilization funds, and trust funds and other reserves are examples of other revenues. Statewide, five percent of the total receipts were included in this category. The communities with the largest percentage of their FY1999 budgets generated by Other Revenues are Royalston (52.28 percent), Gosnold (40.59 percent), Hinsdale (33.74 percent), Sandisfield (26.97 percent) and Monroe (23.68 percent). Royalston and Sandisfield used large amounts of free cash. Hinsdale transferred money from a stabilization fund and water surplus. Gosnold has a harbor fund and another trust fund. Monroe used highway money. The five communities with the lowest percentages in this category are New Bedford (0.00 percent), Washington (0.03 percent), Chelsea (0.05 percent), New Marlborough (0.07 percent) and Malden (0.20 percent). There does not seem to be any clear pattern in this category.

Findings

Comparing local revenue components from FY1992, chosen to reflect the statewide decline in revenues in the recession of the early 1990s, to FY1999, there are changes in the proportionate shares. The property tax provided 52.4 percent of the total in FY1992. It has declined to 50.2 percent in FY1999. In FY1992 state aid comprised 21.5 percent of the total revenues. Since then, it has risen steadily to its FY1999 percent of 27.3. Local Receipts represented 21.3 percent of the total in FY1992. Its share decreased to 17.4 percent in FY1998. In FY1999 it has remained at essentially the same level — 17.5 percent. Other revenues contributed 4.8 percent of the total revenues in FY1992, declined to a low of 4.5 percent in FY1995, and then has remained at approximately five percent since then. The percentage of the total revenues statewide for each of the four components has remained relatively steady for the past five years. ■

written by Jean McCarthy
data provided by Debbie DePerri

1. Free cash, stabilization funds, gifts, trust funds, and other available funds.

Table 2

Local Revenue Components, FY92–99

State totals, Massachusetts cities and towns

Fiscal year	Property tax levy	Percent of total	State aid	Percent of total	Local receipts	Percent of total	All other	Percent of total	Total receipts
92	5,017,705,745	52.40	2,057,507,189	21.50	2,045,127,785	21.30	464,175,959	4.80	9,584,516,681
93	5,249,675,623	52.90	2,191,009,153	22.10	2,035,899,378	20.50	452,635,275	4.60	9,929,219,420
94	5,464,414,052	52.60	2,349,182,814	22.60	2,074,561,533	20.00	505,777,439	4.90	10,393,935,853
95	5,701,066,408	52.10	2,551,580,915	23.30	2,193,878,042	20.10	489,846,880	4.50	10,936,372,238
96	5,920,694,306	51.20	2,794,847,943	24.20	2,303,531,459	19.90	552,264,318	4.80	11,571,338,024
97	6,160,184,909	51.50	3,060,681,746	25.60	2,108,780,330	17.60	621,990,649	5.20	11,951,637,632
98	6,455,892,738	51.10	3,356,233,207	26.60	2,195,664,977	17.40	614,759,620	4.90	12,622,550,534
99	6,752,744,528	50.20	3,675,496,286	27.30	2,358,076,155	17.50	669,416,649	5.00	13,455,733,619

FY99 state totals reflect FY98 data for Oak Bluffs

DLS UPDATE

New Regional Manager

Deputy Commissioner Joseph J. Chessey, Jr. has announced the appointment of Diane Murphy as regional manager for the Worcester and Springfield offices of the Division of Local Services. Diane will oversee the field staff who provide technical assistance to 219 communities in central and western Massachusetts. Diane brings almost 20 years experience in municipal government to her new position. She served for 10 years as assistant to the mayor of Chicopee specializing in program and policy development. Her knowledge of municipal operations, as well as her experience in the area of state and local government relationships, provide an excellent background for her new responsibilities. A resident of Chicopee, Diane has three children and two grandchildren.

Diane replaces Dennis Rindone who served as regional manager for DLS for three and a half years. One of Dennis' accomplishments while at DLS was the institution of the Local Government Partnership (LGP), a program introducing concepts of state and local government into secondary school curricula. Under his leadership, students in 10 high schools participate in the LGP. Dennis is now serving as Executive Secretary of the Town of Princeton. ■

"Corp Book" Supplements Available

Massachusetts Domestic and Foreign Corporations Subject to an Excise, 1999 Supplement is now available. Local boards of assessors have each received a copy. Commonly known as the "corp book," the publication includes a list of all for-profit corporations doing business in Massachusetts. A complete compilation is printed every five years with supplemental lists printed in the intervening years. Assessors use the "corp book" to identify businesses exempt from certain personal property taxes because of their manufacturing status. Manufacturers pay a state excise in lieu of the local personal property tax.

DLS is creating a database program to search and categorize the data published in the 1999 supplement. The program, which will be posted to the DLS website, allows users to search for a corporation by keyword. Questions about the search program can be directed to Burt Lewis at (617) 626-2358. ■

Local Option Law
➡ *continued from page two*

- **Review whether real estate taxes are owed.** Focus on the sites for which back taxes are owed and, thus, over which the municipality may exercise control. Prioritize that list.

- **Resolve ownership issues.** Find out if the owner of title is still an operating entity and whether the property is for sale. Ensure that the property can be and will be easily transferred if a buyer materializes, including resolution of tax liens with the existing owner.

- **If necessary, take the property.** Recent revisions to the state's hazardous waste laws make municipal ownership a very minor concern and municipal ownership eliminates one more party from the transaction. Municipal ownership clarifies title issues neatly.

- **Decide the maximum abatement of back taxes** the municipality will accept with a new owner/developer in **consultation with the head of the City Council or Town Selectmen,** or other designated officials.[1] Advertise that number up front.

- **List the property** with the Massachusetts Alliance for Economic Development (MAED) 800-247-7800; www.massecon.com, local commercial realtors, and notify the regional office of the Massachusetts Office of Business Development (MOBD) (800) 522-7482); www.state.ma.us/mobd.

- **Conduct a preliminary site assessment.** Predevelopment site assessment funds (both loans and grants) are available through MassDevelopment (617-451-2477). Once obtained, add that information to the listing.

- **Start to identify other municipal, state and federal assistance** for marketing, cleanup and development by contacting the newly established Governor's Office of Brownfields Revitalization (617-973-8621), MassDevelopment or the Department of Housing and Community Development.

Today's booming economy presents a unique window of opportunity to attract private dollars to urban brownfields. Redeveloping a brownfield in your community will generate new tax revenues and enhance the quality of life for everyone who works and lives around it. The return on today's investment of time, personnel and tax abatement, can be beneficial long into the future. ■

1. Please remember that the abatement of taxes under this provision must still comply with the law pertaining to charges against overlay accounts.

Municipal Fiscal Calendar

June 15
DOR: *Commissioner Determines and Certifies Pipeline Valuations*

Assessors: *Deadline for Appealing Commissioner's Telephone & Telegraph Valuations*

Assessors: *Make Preliminary Quarterly Tax Commitment*

June 20
Assessors: *Final Date to Make Omitted or Revised Assessments*

June 30
State Treasurer: *Notification of Quarterly Local Aid Payments Before June 30*

Assessors: *Overlay Surplus Closes to Surplus Revenue*

Assessors: *Physical Inventory of All Parcels for Communities that Accepted M.G.L. Ch. 59, Sec. 2A(a)*

Assessors: *Submit Annual Report of Omitted or Revised Assessments*

Assessors: *Last Day to Submit Requests for Current Fiscal Year Reimbursements of Exemptions Granted Under the Various Clauses of Ch. 59, Sec. 5*

July 1
Collector: *Mail Preliminary Quarterly Tax Bill*

July 15
Accountant: *Certification Date for Free Cash: Anytime After Books are Closed*

Assessors: *Deadline for Appealing Commissioner's Pipeline Valuations to ATB*

July 31
Treasurer: *File IRS Form 5500 (Report of Employee Benefit Plan)*

Professional Appraisal Services Sought

DOR's Bureau of Local Assessment will release a Request for Responses for Professional Appraisal Services (RFR) to assist it in estimating the fair cash value of certain state owned lands. Bids will be sought regionally.

The RFR will be issued in June 1999. Appraisal companies wishing to bid should check the Commonwealth's Internet procurement site. To locate the RFR go to www.Comm-PASS.com and then select *Open Solicitations*, then choose Department of Revenue as the *Purchasing Entity* and finally pick the Professional Services *Category*. For additional information call Regina McArdle at (617) 626-2368. ■

City & Town

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Frederick A. Laskey, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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State-Owned Land to Be Revalued

Joseph by Marilyn H. Browne

Over the next fiscal year, the Department of Revenue's Bureau of Local Assessment (BLA) will be estimating the fair market value of approximately 3,100 state-owned properties.[1] Totaling more than 380,000 acres, these parcels are located in 255 cities and towns across the Commonwealth. The valuations will be used as the basis for state reimbursement to municipalities for tax revenues lost because land used for public purposes is exempt from local property taxation. Cities and towns receive their payments for most of these properties through the Cherry Sheets. For watershed land owned by the MDC, there is a direct reimbursement program. The valuation date will be as of January 1, 2000, and the BLA will notify communities of its determination of values no later than June 10, 2000.

Once every five years BLA values state-owned land (SOL). The valuation does not include any improvements to the properties, such as buildings. Eligibility for reimbursement is dependent upon three factors: taxable status prior to state acquisition, land use, and the particular state agency owning or "holding" the land. Properties entitled to reimbursement on a use basis include wild life sanctuaries, fish hatcheries and game preserves. Also, communities receive payments if the land is held by certain public institutions such as those of the Departments of Mental Health, Mental Retardation, Public Health, and Environmental Management. In all cases, the property must have been on the tax rolls prior to the state's obtaining title to the land.

The BLA issued a Request for Responses for professional appraisal services (RFR) to assist its staff with this major valuation project. The RFR requires site inspections of reimbursable parcels acquired by the state after 1985. Additionally, BLA plans to begin a reinspection program of selected parcels acquired prior to 1985. Appraisers bidding for the contracts for the inspection and reinspection projects will bid on a regional basis. The Department's intent is to award a single contract for each of the remaining four regions in central and western Massachusetts (Worcester, Franklin, Hampden, Hampshire and Berkshire Counties). Site visits will begin in FY2000. As one would expect, these projected plans are subject to state budget appropriation.

SOL values are based on the market value of each parcel. Occasionally, BLA receives questions from local officials wanting to know why their land value per acre is not the same as that of a neighboring municipality, particularly if they share a site such as a state park. If comparable properties are selling for similar prices in both communities, then it is fair to expect that the values will be similar. However, as is often the case, neighboring communities' land values differ, sometimes significantly, for reasons such as one community's proximity to transportation, quality of education, and amenities reflected in sales prices and SOL values. BLA will pay particular attention to sites that overlap municipalities.

Before vendors begin working in communities, BLA will send a notification letter to boards of assessors. During the entire process, particularly the site inspection and data collection process, vendors and/or BLA staff will be in close contact with local officials. Municipal assistance is critical to a timely and successful program. Once proposed values are determined, BLA will notify cities and towns.

After notification there will be time for assessors to discuss the values, present documentation to support changes in proposed valuations, and/or formally appeal the values.

The SOL program was reintroduced as a separate reimbursement on the Cherry Sheets in 1993. The FY1993 appropriation of $6.5 million has been increasing in recent years. Last year, FY1999, the program was funded at $12 million, which was 56.2 percent of full funding, just over the halfway mark. House 1 is proposing $15 million for FY2000. BLA preliminary numbers show that appropriation to be the equivalent of approximately 69 percent of full funding. In an outside section of the 1998 state budget, the legislature indicated that it intends to increase this appropriation to achieve full funding by FY2002. ■

1. M.G.L. Ch. 58 §§ 13–17B; Ch.59, § 5G.

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LEGAL

in Our Opinion

Q: *Are Chapter 121A corporations exempt from local taxes?*
A: Yes. Urban redevelopment corporations are exempt from local real estate and personal property taxes, betterments and special assessments for a period of 15 years.[1] This 15-year period may be extended to an aggregate of 40 years. A Chapter 121A corporation, however, is required to pay a calendar year excise which is equal to (1) five percent of its gross income from all sources in the prior calendar year and (2) $10 per thousand upon the fair cash valuation of its real and personal property. Once the exemption period for the project has concluded, the subject parcel will return to the tax rolls.

Q: *What would be the effect on a community's levy limit if a parcel were no longer subject to a Chapter 121A excise?*
A: The community would assess an ordinary real estate tax. Proposition 2½ limits the total taxes assessed by a city or town. The law does provide for tax base growth which includes the "increase in the assessed valuation of any parcel of real ... property over the assessed valuation of such property, during the prior year *which shall become subject to taxation for the first time*"[2] (emphasis added). Returning any parcel previously exempt under Chapter 121A to the tax rolls, in our view, would increase the city or town's levy limit.

Q: *What should the collector do if personal property taxes are uncollectible?*
A: If the collector is satisfied that any outstanding personal property taxes cannot be collected due to death, absence, poverty, insolvency, bankruptcy or other inability of the person assessed to pay, the collector notifies the assessors in writing and under oath, stating why the taxes cannot be collected.[3] The assessors must make due inquiry and act within 30 days after receipt of the collector's notice. The board of assessors may abate the tax in whole or in part. They certify the amount abated to the collector, thereby discharging the collector from any further duty to collect the tax so abated.

Q: *Can a town's elected officials and its non-union employees receive retroactive pay increases?*
A: Yes, if certain conditions are satisfied. The salary and compensation of all elected officials must be fixed annually by vote of the annual town meeting.[4] By law, a special town meeting can revise the salary of an elected official by two-thirds vote, but such revision must take place prior to the setting of the tax rate for that fiscal year. Any increase in salary for an elected official can be retroactive for only one year, i.e., to the start of the fiscal year in which the vote is taken. Town meeting must also fund any increase in salary to effectuate it.

With regard to non-union, non-school employees, town meeting by majority vote can appropriate an increase in salary, retroactive to the beginning of the fiscal year, prior to the fiscal year in which such vote is taken.[5] A majority vote of the school committee, however, is required to increase salaries of school department employees for the same time frame. There must be sufficient unencumbered funds in the school department's operating budget. Otherwise, a supplementary appropriation by town meeting is required to cover the increase.

Q: *Is a town meeting vote required to place a debt exclusion question on the ballot?*
A: No. Although a two-thirds vote of town meeting is required to authorize any borrowing, there must be a two-thirds vote by the local appropriating authority to place the question of exceeding the limits imposed by Proposition 2½ for the purpose of raising funds for debt service costs on the ballot. In a town the "local appropriating authority" is the board of selectmen.[6] The debt exclusion referendum question must then be approved by the majority of the voters.

Q: *A town meeting had adopted M.G.L. Ch.44 § 53D which establishes a park and recreation self-supporting revolving fund. The town made a contract with a local concession firm to provide food to participants in activities at the town playground. Under the terms of the annual contract, the vendor would pay $1,200 in six installments. The first payment was due May 1 and the last payment was due on October 1. How should the accountant enter these receipts in the books and records of the town?*
A: M.G.L. Ch. 44 § 53D is a local option statute which, if adopted, authorizes a city or town to establish "a revolving fund which shall be kept separate and apart from all other monies by the treasurer and in which shall be deposited the receipts received in connection with the conduct of self-supporting recreation and park services of said city or town." The Property Tax Bureau has previously interpreted the statute to mean that proceeds from concessions and the rental of recreational facilities could become part of the revolving fund revenue if generated in connection with self-supporting activities sponsored by the recreation department. In our view, these vendor payments could be broadly construed as revenue derived from and associated with the summer park programs sponsored by the park and recreation department. Accordingly, these rent payments from the concession operator should be deposited in the park and recreation revolving fund and not be considered local estimated receipts.

continued on page seven ➡

Focus on Municipal Finance

Overlay Reserve

Assessors must annually establish an account, commonly known as the overlay, to cover the anticipated abatements and exemptions for property taxes levied in that year.[1] To establish the appropriate amount, they must evaluate prior years' overlay reserve accounts and any potential liabilities, such as cases pending at the Appellate Tax Board. The overlay reserve is not established through the normal appropriation process, but rather the amount needed is raised on the tax rate recapitulation sheet. Assessors must try to assure that the reserve is set at a level sufficient to provide for abatements and exemptions in that fiscal year. When the amount of overlay raised in a given year is insufficient to cover abatements for that year, a deficit occurs. This deficit must be provided for in the next fiscal year on the tax rate recapitulation sheet.

Generally, assessors know approximately how much money they will need to cover exemptions in each year; however, the amount they will need for abatements can vary. The amount of money reserved for certain exemptions has been declining because fewer people qualify. For example, the article on elderly exemptions in the March 1999 issue of *City & Town* pointed out that the income restrictions for elderly exemptions have not been adjusted since 1986, and the number of exemptions granted declined by 18.6 percent between FY1992 and FY1998.[2]

The Bureau of Local Assessment reviews the proposed real and personal property values estimated by local assessors once every three years. Historically, there have been more applications for abatements during these recertification years and assessors have safeguarded against these increases by allocating larger than usual amounts to their overlays. *City & Town* last analyzed overlay reserves in its July 1991 issue. At that time, 73 percent of communities established higher than average overlay reserve accounts in recertification years. Since then, however, more and more assessors have been adjusting values annually to reflect the real estate market and avoid the large spikes in values that can happen when revaluation only occurs triennially. Also, assessing practices have improved over recent years, resulting in fewer abatements. From FY 1997 through FY1999 only 142 communities (41 percent) established higher than usual overlay reserve accounts in their recertification years.

The overlay reserve account is carried forward from year to year until the assessors determine that the reserve for that particular fiscal year is no longer necessary. Assessors must retain sufficient money in the overlay reserve to cover any abatements which may be granted by the Appellate Tax Board (ATB). If there are cases pending at the ATB, assessors must make their best estimate of the amount needed to cover potential settlements. The overlay cannot be reduced by transfer below the sum of (1) uncollected taxes outstanding against the collector's warrant, and (2) collected taxes that may have to be refunded because of abatements granted. If uncollected real estate taxes are secured by a tax title, the community has an almost guaranteed method of collecting the taxes. The amounts of such taxes are no longer outstanding against the collector's warrant and do not have to be reserved.

Once the assessors determine that there is no likelihood of additional abatements, they can declare the unused balance for that year as surplus. The balance is then transferred into an overlay surplus account. At the end of each fiscal year, unused overlay surplus is "closed" to surplus revenue; in other words, it becomes a part of free cash. Both free cash and overlay surplus can be appropriated for any lawful municipal purpose.

Within 10 days of a written request by the chief executive officer of a city or town, the assessors *must* provide a certification of the excess amount of overlay available for transfer. A "chief executive officer" can mean the board of selectmen in a town, or the mayor or city manager in a city. Although the community's chief executive officer can

continued on page six ➡

Table 1

State Totals

	Overlay reserve	Tax levy	Overlay as percent of levy
FY89	$143,651,488	$4,122,104,932	3.48
FY90	$139,071,345	$4,464,634,291	3.11
FY91	$139,472,348	$4,775,254,916	2.92
FY92	$143,439,128	$5,017,705,745	2.86
FY93	$155,240,515	$5,249,675,623	2.96
FY94	$157,921,506	$5,464,414,052	2.89
FY95	$159,210,658	$5,701,066,408	2.79
FY96	$163,242,225	$5,920,694,306	2.76
FY97	$159,943,482	$6,160,184,909	2.60
FY98	$168,585,924	$6,455,892,738	2.61
FY99	$168,231,716	$6,753,085,969	2.49

Overlay Reserve

Municipality	Overlay Recert Yr.	Overlay % of levy 97	98	99	Avg. 97–99
Abington	98	3.12	2.78	1.92	2.61
Acton	98	1.69	2.02	1.35	1.69
Acushnet	98	2.96	3.18	3.01	3.05
Adams	97	3.42	3.38	3.34	3.38
Agawam	97	2.77	2.95	2.51	2.74
Alford	99	1.59	2.77	5.02	3.13
Amesbury	99	3.05	6.95	3.30	4.43
Amherst	97	1.33	1.29	1.45	1.36
Andover	97	1.56	1.69	1.58	1.61
Aquinnah	99	1.46	1.29	1.26	1.34
Arlington	98	1.67	2.09	1.86	1.87
Ashburnham	97	1.91	1.03	1.07	1.34
Ashby	97	1.77	1.95	1.91	1.88
Ashfield	98	1.42	1.34	1.28	1.35
Ashland	97	1.92	1.80	1.36	1.69
Athol	98	3.56	4.13	3.19	3.63
Attleboro	99	1.49	1.47	0.99	1.32
Auburn	98	3.95	4.15	3.92	4.01
Avon	99	2.42	2.93	3.28	2.88
Ayer	99	2.34	2.17	1.80	2.10
Barnstable	98	1.42	2.24	1.67	1.78
Barre	98	3.05	3.59	2.81	3.15
Becket	98	3.16	1.70	1.90	2.25
Bedford	99	2.79	2.23	3.02	2.68
Belchertown	97	2.63	3.57	1.95	2.72
Bellingham	98	2.08	2.49	4.21	2.93
Belmont	98	2.25	2.09	1.99	2.11
Berkley	98	1.56	1.65	1.39	1.53
Berlin	98	5.65	6.94	7.50	6.70
Bernardston	98	1.93	2.12	1.78	1.94
Beverly	99	1.29	1.36	1.26	1.30
Billerica	97	1.44	1.55	1.85	1.61
Blackstone	98	1.62	1.97	1.71	1.77
Blandford	98	3.53	2.42	3.18	3.04
Bolton	97	0.96	0.94	0.85	0.92
Boston	98	5.08	5.21	5.21	5.17
Bourne	97	1.81	2.69	1.69	2.06
Boxborough	97	3.27	2.60	2.63	2.83
Boxford	97	1.32	0.93	0.69	0.98
Boylston	99	1.73	1.91	2.13	1.92
Braintree	97	2.89	2.47	2.35	2.57
Brewster	98	2.40	2.08	1.85	2.11
Bridgewater	97	2.27	1.24	1.09	1.53
Brimfield	99	3.25	3.37	2.22	2.95
Brockton	99	2.28	2.20	2.13	2.20
Brookfield	98	1.60	1.59	1.73	1.64
Brookline	97	2.50	2.27	2.54	2.44
Buckland	98	1.07	1.15	1.16	1.13
Burlington	97	2.03	1.50	2.02	1.85
Cambridge	99	2.87	2.75	2.67	2.76
Canton	98	4.23	6.04	3.63	4.63
Carlisle	98	1.32	1.58	1.00	1.30
Carver	97	2.53	2.45	2.36	2.45
Charlemont	99	1.32	1.29	1.35	1.32
Charlton	99	1.98	1.27	1.64	1.63
Chatham	98	2.25	1.93	1.72	1.97
Chelmsford	98	1.30	1.87	1.78	1.65
Chelsea	98	2.25	2.41	2.49	2.38
Cheshire	98	1.88	1.77	2.22	1.96
Chester	97	3.84	2.35	2.29	2.83
Chesterfield	98	1.27	1.61	1.14	1.34
Chicopee	99	4.51	2.71	4.42	3.88
Chilmark	97	1.90	1.68	2.11	1.90
Clarksburg	98	4.30	6.01	4.03	4.78
Clinton	97	2.88	2.31	2.14	2.44
Cohasset	99	1.56	1.73	1.47	1.59
Colrain	98	2.40	2.53	2.59	2.51
Concord	99	1.03	1.06	0.99	1.03
Conway	99	0.76	0.72	0.95	0.81
Cummington	99	1.15	1.18	1.12	1.15
Dalton	98	1.51	1.80	1.65	1.65
Danvers	98	1.59	2.00	1.48	1.69
Dartmouth	99	1.83	1.78	1.59	1.73
Dedham	98	3.39	3.33	3.66	3.46
Deerfield	99	2.24	2.03	1.92	2.06
Dennis	99	1.67	1.65	1.50	1.61
Dighton	98	1.86	1.96	1.56	1.79
Douglas	99	2.56	1.82	2.82	2.40
Dover	99	1.73	1.38	1.81	1.64
Dracut	97	2.40	2.19	2.11	2.23
Dudley	99	2.63	2.57	3.51	2.90
Dunstable	99	1.39	1.29	1.19	1.29
Duxbury	97	1.19	1.58	1.72	1.50
E. Bridgewater	98	3.55	4.93	4.30	4.26
E. Brookfield	99	2.60	2.53	4.34	3.16
E. Longmeadow	99	1.74	1.23	1.38	1.45
Eastham	98	1.08	1.05	1.03	1.05
Easthampton	98	2.63	3.05	2.42	2.70
Easton	98	1.61	1.77	1.45	1.61
Edgartown	99	0.41	0.32	0.68	0.47
Egremont	99	1.44	1.57	1.79	1.60
Erving	97	1.54	1.15	1.01	1.23
Essex	98	1.89	3.48	1.18	2.18
Everett	97	3.34	2.45	2.29	2.69
Fairhaven	99	2.92	2.78	2.90	2.87
Fall River	98	2.69	2.50	3.46	2.88
Falmouth	99	0.93	1.10	1.37	1.13
Fitchburg	98	2.13	2.17	2.05	2.12
Florida	98	4.82	7.35	2.55	4.91
Foxborough	98	2.43	2.48	2.07	2.33
Framingham	97	2.53	2.34	2.00	2.29
Franklin	99	1.01	1.35	3.84	2.07
Freetown	98	2.43	2.17	2.08	2.23
Gardner	99	1.77	1.68	1.83	1.76
Georgetown	98	0.81	0.84	0.67	0.77
Gill	99	2.00	2.85	2.33	2.39
Gloucester	99	1.97	1.67	1.74	1.79
Goshen	97	1.50	1.47	1.34	1.44
Gosnold	99	1.31	1.32	1.59	1.41
Grafton	98	1.47	2.06	1.78	1.77
Granby	98	2.53	2.93	2.28	2.58
Granville	98	0.91	1.09	1.04	1.01
Grt. Barrington	98	1.89	1.77	1.07	1.58
Greenfield	99	1.42	1.35	1.31	1.36
Groton	99	0.77	0.71	0.81	0.76
Groveland	98	1.12	0.93	0.93	0.99
Hadley	99	1.85	1.39	1.59	1.61
Halifax	98	4.78	4.71	5.00	4.83
Hamilton	97	1.54	1.39	1.33	1.42
Hampden	97	1.58	1.54	1.44	1.52
Hancock	98	2.36	2.10	1.88	2.11
Hanover	99	1.16	1.01	0.97	1.05
Hanson	98	1.82	1.74	1.56	1.71
Hardwick	97	3.78	2.65	2.60	3.01
Harvard	99	0.98	1.12	1.04	1.05
Harwich	98	2.79	2.05	2.02	2.29
Hatfield	98	2.95	2.58	1.69	2.41
Haverhill	99	2.24	1.95	1.71	1.97
Hawley	97	2.27	1.50	1.48	1.75
Heath	99	1.21	1.34	1.81	1.45
Hingham	99	1.02	1.13	1.38	1.18
Hinsdale	97	3.47	2.44	2.30	2.74
Holbrook	98	3.54	4.85	3.55	3.98
Holden	98	1.29	1.25	1.87	1.47
Holland	98	1.66	1.61	1.49	1.59
Holliston	98	1.04	2.12	1.11	1.42
Holyoke	98	2.84	2.44	3.49	2.92
Hopedale	97	2.65	1.38	2.20	2.08
Hopkinton	98	1.74	2.17	1.58	1.83
Hubbardston	98	1.44	1.68	1.67	1.60
Hudson	98	1.99	2.03	2.07	2.03
Hull	98	4.01	3.33	1.19	2.84
Huntington	98	1.44	1.34	1.38	1.39
Ipswich	98	1.80	1.80	1.65	1.75
Kingston	98	1.41	1.62	1.32	1.45
Lakeville	99	1.75	1.63	1.88	1.75
Lancaster	99	2.31	1.62	1.65	1.86
Lanesborough	99	1.52	1.71	3.09	2.11
Lawrence	97	3.26	3.32	3.36	3.31
Lee	99	3.10	2.85	2.44	2.80
Leicester	99	1.68	1.62	1.66	1.65
Lenox	99	2.94	2.44	2.36	2.58
Leominster	97	3.01	2.95	3.00	2.99
Leverett	97	1.43	1.10	0.91	1.15
Lexington	99	0.59	1.02	0.91	0.84
Leyden	99	1.29	1.27	1.46	1.34
Lincoln	98	0.89	0.84	0.78	0.84
Littleton	98	1.87	1.51	2.28	1.89
Longmeadow	97	0.81	0.77	0.78	0.79
Lowell	99	4.76	4.89	4.79	4.81
Ludlow	99	2.01	2.30	1.83	2.05
Lunenburg	97	1.35	1.11	1.01	1.16
Lynn	99	3.86	3.76	3.29	3.64
Lynnfield	99	1.50	1.38	1.62	1.50
Malden	98	2.93	2.75	3.15	2.94
Manchester	98	1.17	1.84	1.47	1.49
Mansfield	99	2.14	2.22	2.07	2.14
Marblehead	98	0.96	1.29	1.25	1.17
Marion	97	2.09	2.13	1.92	2.05
Marlborough	97	2.37	2.15	2.47	2.33
Marshfield	99	1.58	1.66	1.64	1.63
Mashpee	99	1.80	1.89	1.76	1.82
Mattapoisett	97	2.12	2.15	2.15	2.14
Maynard	98	1.89	2.16	1.56	1.87
Medfield	98	0.53	0.66	0.41	0.53
Medford	98	1.98	2.36	1.93	2.09
Medway	97	2.02	1.85	2.46	2.11
Melrose	99	2.03	2.41	2.29	2.24
Mendon	99	1.76	1.57	1.74	1.69
Merrimac	98	0.76	1.12	0.98	0.95

Municipality	Overlay Recert Yr.	Overlay % of levy 97	98	99	Avg. 97–99
Methuen	97	1.53	3.57	1.55	2.22
Middleborough	98	2.45	3.07	2.06	2.53
Middlefield	99	1.61	0.95	1.08	1.21
Middleton	99	3.11	2.76	2.85	2.91
Milford	98	2.43	2.58	1.81	2.27
Millbury	97	4.12	3.91	3.55	3.86
Millis	99	1.19	1.69	1.15	1.34
Millville	99	4.48	3.28	1.78	3.18
Milton	97	1.71	1.61	1.43	1.58
Monroe	97	1.45	1.33	1.38	1.39
Monson	99	1.77	1.33	1.54	1.55
Montague	98	3.61	3.59	3.27	3.49
Monterey	97	2.84	2.44	2.12	2.47
Montgomery	98	2.89	3.52	2.79	3.07
Mt. Washington	98	1.09	1.04	1.10	1.08
Nahant	99	1.80	1.49	1.50	1.60
Nantucket	98	3.25	2.40	2.73	2.79
Natick	98	2.01	3.13	2.17	2.44
Needham	97	1.62	1.59	1.66	1.62
New Ashford	97	0.80	1.23	1.93	1.32
New Bedford	98	4.52	4.73	4.47	4.57
New Braintree	98	1.28	3.57	1.60	2.15
New Marlborough	98	1.25	1.49	1.97	1.57
New Salem	97	2.01	1.43	1.35	1.60
Newbury	98	0.90	1.77	0.94	1.20
Newburyport	99	1.57	1.50	2.39	1.82
Newton	99	1.79	1.79	1.40	1.66
Norfolk	98	0.85	0.80	0.74	0.80
N. Adams	98	2.55	2.42	2.76	2.58
N. Andover	98	1.38	1.33	1.02	1.24
N. Attleboro	99	2.41	2.33	2.26	2.33
N. Brookfield	98	2.68	2.83	2.93	2.81
N. Reading	99	1.70	1.62	1.64	1.65
Northampton	98	1.88	1.87	1.80	1.85
Northborough	98	1.17	1.88	1.07	1.37
Northbridge	99	2.19	2.08	2.04	2.10
Northfield	98	1.17	1.16	1.07	1.13
Norton	97	2.47	2.38	1.95	2.27
Norwell	97	2.63	2.01	2.87	2.50
Norwood	97	2.04	2.01	2.14	2.06
Oak Bluffs	99	1.23	1.72	1.60	1.52
Oakham	99	1.43	1.46	1.72	1.54
Orange	99	3.20	3.02	2.90	3.04
Orleans	99	2.15	1.80	1.84	1.93
Otis	98	1.92	1.71	1.63	1.75
Oxford	99	4.06	3.16	3.33	3.52
Palmer	99	1.75	1.83	2.04	1.87
Paxton	98	0.84	1.12	0.84	0.93
Peabody	98	2.56	2.34	2.26	2.39
Pelham	99	1.33	1.28	1.03	1.21
Pembroke	99	2.05	2.00	2.08	2.04
Pepperell	99	1.93	5.33	1.80	3.02
Peru	99	2.28	2.34	2.37	2.33
Petersham	98	1.59	1.60	1.48	1.56
Phillipston	98	0.77	0.80	0.73	0.77
Pittsfield	99	2.14	1.81	1.77	1.91
Plainfield	97	1.89	1.59	1.60	1.69
Plainville	97	2.56	2.43	3.50	2.83
Plymouth	99	1.58	1.35	1.55	1.49
Plympton	99	1.28	0.95	1.57	1.27
Princeton	97	1.43	1.09	1.11	1.21
Provincetown	97	2.99	2.05	1.86	2.30
Quincy	99	3.36	3.78	3.33	3.49
Randolph	99	2.35	2.29	2.48	2.37
Raynham	98	2.34	2.28	3.07	2.56
Reading	99	1.58	1.46	1.41	1.48
Rehoboth	98	2.19	2.07	1.69	1.98
Revere	99	2.44	2.16	2.21	2.27
Richmond	99	0.64	0.71	1.02	0.79
Rochester	99	1.56	1.53	2.41	1.83
Rockland	97	2.03	1.86	1.64	1.84
Rockport	98	1.95	1.93	1.77	1.88
Rowe	97	4.84	1.84	1.83	2.84
Rowley	99	1.90	1.60	2.35	1.95
Royalston	99	5.84	4.54	3.57	4.65
Russell	98	3.96	4.77	4.88	4.54
Rutland	99	2.16	2.18	2.25	2.20
Salem	98	1.79	2.37	1.48	1.88
Salisbury	97	1.56	1.20	0.98	1.25
Sandisfield	98	1.73	3.05	2.50	2.43
Sandwich	99	1.47	1.43	3.37	2.09
Saugus	99	1.79	1.73	1.99	1.84
Savoy	98	3.22	3.25	3.17	3.21
Scituate	97	1.63	1.56	1.26	1.48
Seekonk	97	2.21	1.68	1.29	1.73
Sharon	98	2.06	2.30	1.92	2.09
Sheffield	98	1.04	1.32	1.29	1.22
Shelburne	99	1.61	0.92	1.17	1.23
Sherborn	97	0.66	0.42	0.41	0.50
Shirley	98	3.71	3.53	3.34	3.53
Shrewsbury	98	0.94	1.10	0.93	0.99
Shutesbury	99	1.56	1.48	1.67	1.57
Somerset	98	2.96	3.24	2.55	2.92
Somerville	98	3.89	4.20	2.69	3.59
S. Hadley	98	2.36	2.27	2.08	2.24
Southampton	99	1.67	1.61	1.69	1.66
Southborough	98	2.72	2.00	1.42	2.05
Southbridge	98	2.14	1.87	1.86	1.96
Southwick	98	2.41	3.39	1.40	2.40
Spencer	98	2.26	3.37	2.55	2.73
Springfield	99	6.19	5.43	4.43	5.35
Sterling	98	0.97	0.90	0.72	0.86
Stockbridge	99	2.45	2.64	3.17	2.75
Stoneham	97	3.06	3.34	2.92	3.11
Stoughton	99	3.29	3.30	1.71	2.77
Stow	98	0.71	0.71	0.88	0.77
Sturbridge	99	1.91	1.31	1.33	1.52
Sudbury	98	0.80	0.93	1.62	1.12
Sunderland	99	2.08	1.93	1.88	1.96
Sutton	97	1.84	1.43	1.69	1.65
Swampscott	99	1.50	1.71	2.20	1.80
Swansea	99	2.65	3.05	3.13	2.94
Taunton	98	1.52	2.13	2.03	1.89
Templeton	98	5.18	4.05	3.90	4.38
Tewksbury	98	2.26	2.05	2.08	2.13
Tisbury	99	1.67	1.91	1.82	1.80
Tolland	97	4.48	3.96	2.30	3.58
Topsfield	98	1.18	1.23	0.97	1.13
Townsend	97	1.12	1.05	1.04	1.07
Truro	99	0.72	0.55	1.23	0.83
Tyngsborough	98	2.05	1.85	1.70	1.87
Tyringham	99	1.95	1.07	2.63	1.88
Upton	99	1.98	1.83	1.62	1.81
Uxbridge	98	2.40	2.29	2.17	2.29
Wakefield	99	2.13	1.93	2.47	2.18
Wales	99	1.25	1.26	2.35	1.62
Walpole	99	1.48	1.25	1.38	1.37
Waltham	98	3.20	2.88	3.15	3.08
Ware	97	2.97	2.80	2.47	2.75
Wareham	97	2.67	2.04	1.69	2.13
Warren	99	1.74	1.65	2.10	1.83
Warwick	98	2.38	3.00	1.52	2.30
Washington	98	2.30	1.98	1.87	2.05
Watertown	98	1.57	1.59	1.50	1.55
Wayland	97	1.11	0.75	0.81	0.89
Webster	97	4.53	3.45	2.41	3.46
Wellesley	97	1.29	0.83	0.74	0.95
Wellfleet	98	1.06	1.13	0.99	1.06
Wendell	97	1.20	1.45	1.61	1.42
Wenham	97	1.38	1.32	1.16	1.29
W. Boylston	99	1.54	1.77	1.38	1.56
W. Bridgewater	97	2.44	2.50	2.23	2.39
W. Brookfield	99	3.17	3.04	4.47	3.56
W. Newbury	98	0.85	1.37	0.81	1.01
W. Springfield	99	2.81	2.37	2.28	2.49
W. Stockbridge	98	1.58	2.38	1.91	1.96
W. Tisbury	99	1.02	1.02	1.50	1.18
Westborough	97	2.75	2.52	2.48	2.58
Westfield	98	2.44	1.99	1.65	2.03
Westford	99	1.03	1.63	1.53	1.40
Westhampton	98	1.16	1.38	1.16	1.23
Westminster	98	4.78	3.08	3.48	3.78
Weston	99	1.02	0.93	1.43	1.13
Westport	97	2.75	2.90	1.79	2.48
Westwood	97	1.61	1.30	1.30	1.40
Weymouth	99	2.28	1.98	1.94	2.07
Whately	99	1.04	0.94	0.90	0.96
Whitman	99	1.35	1.32	1.41	1.36
Wilbraham	98	0.98	1.02	0.93	0.98
Williamsburg	98	1.62	1.59	1.47	1.56
Williamstown	97	1.53	1.38	1.21	1.37
Wilmington	98	2.37	2.25	2.20	2.27
Winchendon	97	2.01	1.96	1.91	1.96
Winchester	99	0.79	0.79	1.12	0.90
Windsor	97	1.33	1.23	0.89	1.15
Winthrop	97	2.04	2.00	1.99	2.01
Woburn	99	3.15	3.35	3.17	3.22
Worcester	99	2.71	2.58	2.50	2.60
Worthington	99	1.87	1.62	1.55	1.68
Wrentham	98	1.77	2.26	1.03	1.69
Yarmouth	98	2.41	2.93	2.69	2.68
State totals		**2.12**	**2.12**	**2.00**	**2.08**

Table 2

Overlay Reserve
➡ *continued from page three*

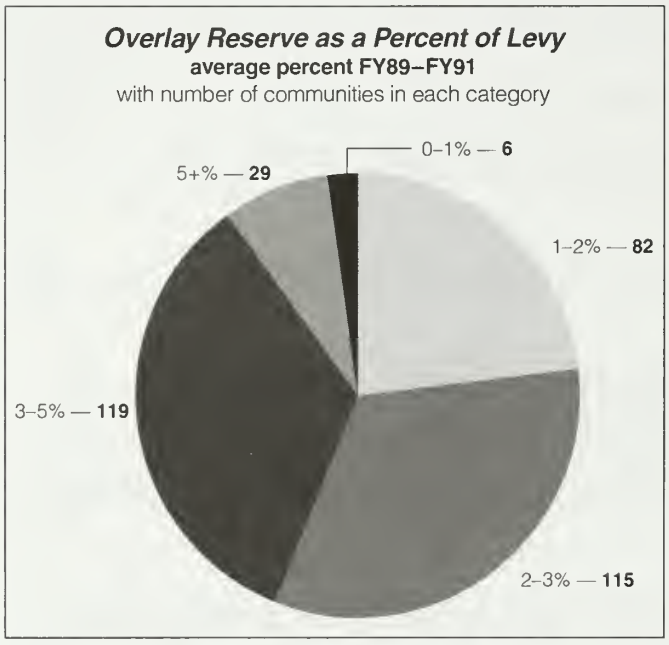


Figure 1

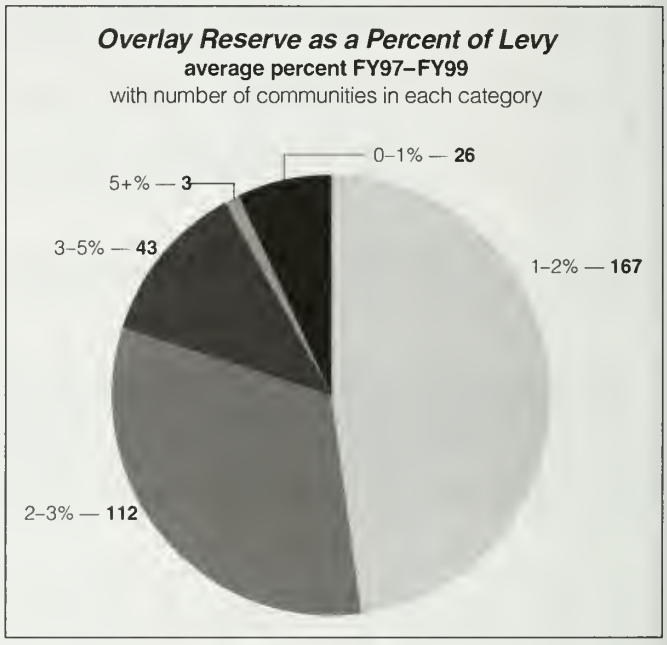


Figure 2

require the assessors to determine the amount available for transfer, the assessors make the determination of how much of a given year's overlay account can or will be transferred to the surplus account, and when and if the transfer should take place.

Findings

Table 1 shows overlay reserves as a percentage of the statewide tax levy from FY1989 through FY1999. Statewide, the total overlay reserve declined from FY1989 to FY1990 and then began a steady increase until FY1996. It declined in FY1997, increased in FY1998, and declined slightly in FY1999. The total was $144 million in FY1989. In FY1999, the total was $168 million, an increase of 17 percent. When analyzed as a percent of the tax levy, however, the percent has declined steadily from 3.48 percent in FY1989 to 2.49 percent in FY1999.

Table 2 lists the 351 cities and towns and shows their overlay reserves and overlays as a percent of the levy for FY1997, FY1998 and FY1999, as well as their average overlays as a percent of the levy for the three-year period. It also shows their triennial recertification dates. The amount of money communities reserve as overlay varies considerably. Berlin had the highest percentage in the three years analyzed with 7.5 percent in FY1999. Edgartown had the lowest percentage, 0.32 percent in FY1998.

In *City & Town's* previous look at overlay reserve, we included a graph grouping communities by overlay reserve as a percent of the levy, using the average percent from FY1989 to FY1991 (*Figure 1*). At that time 29 communities (or 8 percent) had overlays greater than 5 percent of their levies; 119 communities (or 34 percent) had overlay reserves equal to from 3 to 5 percent of their levies; 115 communities (or 33 percent) had overlays of 2 to 3 percent of their levies; 82 communities (or 23 percent) had overlays of 1 to 2 percent; and only 6 communities (or 2 percent) had levies of from 0 to 1 percent. As shown in *Figure 2* there is a definite change in philosophy toward overlay reserve accounts. Looking at the average overlay reserve from FY1997 to FY1999, only 3 communities (or .009 percent) had overlays equal to more than 5 percent of their levies. In the category of communities with overlays of 3 to 5 percent of the levy, there were 43 cities and towns (12 percent). There were 112 communities (or 32 percent) with overlays of 2 to 3 percent; 167 communities (or 48 percent) with overlays of 1 to 2 percent; and 26 communities (or 7 percent) with overlays equal to less than 1 percent of their levies. The impact of good assessment practices, as well as the declining number of exemptions granted, on the need to retain large overlay reserves accounts is evident. ■

written by Jean McCarthy
data provided by Debbie DePerri

1. M.G.L. Ch. 59, § 25.
2. M.G.L. Ch. 59, § 5 (41C).

DLS UPDATE

Has Your Community Complied?

Municipalities must comply with certain rules and regulations. The following are two recent examples:

Every employer, including public employers, must *conspicuously post unemployment benefit information* at each site operated by the employer. The notice must state the name, mailing address, the Division of Employment and Training (DET) identification number of the employer, instructions on how to file for unemployment benefits, the address and telephone number of the nearest regional DET office and the telephone number of the DET teleclaim information line. Failure to post the information will result in a written warning for the first violation, a $100 civil fine for the second, $250 for the third and $500 for fourth or subsequent violation. The employer is also required to provide the same information in writing to any employee separated from employment as soon as practicable, but no later than 30 days. Delivery must be made in person or by mailing to the employee's last known address.[1]

Employees are granted leave for certain family obligations.[2] Certain employers, including municipalities, must provide up to 24 hours of family obligation leave for eligible employees during any 12-month period. This leave is in addition to the 12 weeks already allowed under the Federal Family and Medical Leave Act. Employees are eligible for leave if their employer had 50 or more employees. The employee must have been employed for at least 12 months and worked at least 1,250 hours for the employer during the prior 12-month period. The leave may be taken to participate in school activities directly related to the educational advancement of the employee's child; to accompany the employee's child to routine medical or dental appointments; or to accompany an elderly relative to routine medical or dental appointments or appointments for other professional services related to the elder's care. Employees must provide seven days notice unless the leave is not foreseeable, in which case notice is required as soon as practicable. Violations of the act may be enforced by criminal prosecutions by the Attorney General with a fine of $500 and civil actions by aggrieved employees, including triple damages, litigation costs and attorney's fees.

1. Chapter 101 of the Acts of 1998 amended an earlier version and is retroactive to November 13, 1997, the date the earlier version was enacted.
2. Chapter 109 of the Acts of 1998 which add G.L. Chapter 149 §52D.

Planned Distributions of Hampden County Funds

Financial statements for the Hampden County Government, which was abolished as of July 1, 1998, have been completed and filed with the Secretary of Administration and Finance. According to Director of Accounts Jim Johnson, two categories of funds will result in distributions to municipalities. Eight cities and towns will share in the residual balance in the county dog fund. Chester, Granville, Holland, Holyoke, Palmer, Southwick, Wales and Westfield will share $73,686. Appropriation of these funds is restricted to libraries or schools.[1]

Six cities and towns have assumed operation of the Hampden Regional Animal Control Center. Chicopee, Granby, Hampden, Holyoke, Southampton and Springfield will receive the $31,434 balance from the comparable county operation. Mayors or selectmen of these cities and towns have received notice of the distributions. ■

1. M.G.L. Ch. 140, § 172.

Questions & Answers

➡ *continued from page two*

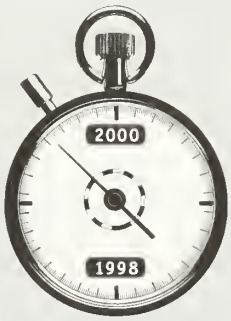
Q: *A finance committee member noted that a particular vendor received substantial payment for supplies furnished to the town. The member was also aware that the law authorizes the board of selectmen and accountant to disapprove payment if fraudulent, unlawful or excessive.*[7] *Would the term "excessive" give discretion to selectmen and the accountant to disapprove payment if the purchase is deemed imprudent?*

A: No. These statutes merely permit the selectmen or accountant to disapprove the payment of a bill if it is in excess of the unencumbered balance in the department's budget or if the bill exceeds the contract price for goods or services. ■

written by James Crowley

1. M.G.L. Ch. 121A § 10 and M.G.L. Ch.59 § 5 Cl. 47.
2. M.G.L. Ch. 59 § 21C(f).
3. M.G.L. Ch. 59 § 71.
4. M.G.L. Ch. 41 § 108.
5. M.G.L. Ch. 44 § 68.
6. M.G.L. Ch. 59 § 21C (a).
7. M.G.L. Ch. 41 §§ 52 & 56.

Countdown to Y2K



Municipal Fiscal Calendar

August 1
Taxpayer: *Deadline for Paying 1st Quarterly Tax Payment M.G.L. Ch. 59, Sec. 57C: Deadline for Payment Without Interest*

Taxpayer: *Annual Boat Excise Return Due*

Accountant: *Notification of Total Receipts of Preceding Year*

August 15
Assessors: *Deadline to Vote to Seek Approval for Authorization to Issue Preliminary Tax Bills*

Treasurer: *4th Quarter Reconciliation of Cash for the Previous Fiscal Year (due 45 days after end of quarter)*

August 31
Taxpayer: *Last Filing Day for Classified Forest Land, M.G.L. Ch. 61*

Assessors: *Begin Work on Tax Rate Recapitulation Sheet (to set tax rate for semi-annual bills)*

September 15
Treasurer/Collector: *Compensating Balance Report*

Account/Superintendent/School Committee: *Jointly Submit End of Year Report to the DOE*

September 30
State Treasurer: *Notification of Quarterly Local Aid Payments on or Before September 30*

Opportunities for Training

Course 101, *Assessment Administration: Law, Procedures, Valuation* will be given at the University of Massachusetts in Amherst, August 9–13, 1999, from 8:30 a.m. to 4:00 p.m.

A Classification Training Workshop will be given on Wednesday, August 11, 1999, at the Campus Center, University of Massachusetts, Amherst at 10:00 a.m.

Contact Barbara LaVertue, training coordinator, at (617) 626-2340 for more information. Registration for this course is through the Massachusetts Association of Assessing Officers. ■

Reminder

Please check to ensure that all correspondence sent to the Division of Local Services is using our new address:

Division of Local Services
PO Box 9490
Boston, MA 02205-9490

Local officials who have not changed to the new address risk delays and possible loss of correspondence.

Also, this address is for the Division of Local Services only. Tax returns or other forms belonging to the Department of Revenue should be sent directly to them.

Treasurers and accountants have been sending meals tax and sales tax returns to the DLS. The correct PO Box for meals tax is 7040 and for sales tax is 7039. The zip code for those boxes is 02204. ■

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS website at **www.state.ma.us/dls** or by writing to PO Box 9490, Boston, MA 02205-9490.

Marilyn H. Browne, Managing Editor

Jean M. McCarthy, Editor

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CITY & TOWN

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OCT 05 1999

Frederick A. Laskey, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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University of Massachusetts
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FY2000 Automated Tax Rate Recapitulation

written by James Podolak

The Division of Local Services (DLS) has substantially updated its automated Tax Rate Recapitulation program for FY2000. In July, DLS mailed booklets of forms and instructions with the new diskette to every community. The new program is an Excel-based diskette, which makes the process of calculating the tax rate more efficient by reducing the amount of data entry required and allowing the user to move quickly between worksheets and data entry cells. More importantly, using the program can expedite the tax rate review process if a copy of the completed diskette is mailed to DLS along with the signed originals.

Completing the four page Tax Rate Recapitulation sheet manually is a laborious and time-consuming process, as there are numerous forms to provide supporting documentation. Since the forms tie together, changing a number in one place requires follow-through to prevent errors. DLS previously had provided an automated recap, but it was not as easy to use. The new program provides a more user-friendly method of accurately completing the recap.

The new Excel workbook allows the inclusion of many features previously unavailable in the DOS-based versions. In order to run the program, a community must have access to a personal computer running Microsoft Windows 3.1 or greater, Microsoft Excel version 5 or greater, a 3.5" diskette drive, a recommended minimum of 16MB RAM, approximately 1 MB of hard disk space and any Windows-compatible printer. The program performs best when transferred to a hard drive. Officials should use the special Print Menu to ensure proper formatting of the forms.

The form worksheets appear in approximately the same order found in the printed booklet. The program transfers figures automatically between forms and performs all calculations. When a community's name is entered in the START worksheet, it automatically appears in all of the worksheets, and community specific information on the prior year's valuations is transferred to the LA-13/New Growth worksheet. Historical information automatically appears on the LEVY LIMIT worksheets as does total tax levy growth from the LA-13. DLS-generated utility values are also included. The new program includes six A-2 worksheets to accommodate communities with more than one enterprise fund. If a community has completed a Pro Forma, the program transfers information to the RECAP worksheets and adjusts the levy/overlay automatically.

Using the new diskette expedites setting the tax rate.

A newly added OPTIONS TABLE worksheet has been designed specifically for development of "what if" scenarios. This worksheet is completely independent of the other data on the Recap diskette. The table allows local officials to see the resulting tax rates given different assessed values, tax levies, and classification options. The user is able to see the impact on the tax rates of shifts to the commercial/industrial and personal property classes ranging from 101 percent to 175 percent, at 1-percent increments. The advantage of this table is twofold. First, it allows local officials to estimate the impact of tax policy decisions throughout the budget process. Second, assessors can use the data in preparation for the annual classification hearing where information on the impact of various options is presented to the selectmen/council and the public so that informed decisions can be made.

For local officials who do not have access to Excel, the Bureau of Accounts (BOA) field representative can provide assistance using BOA laptop computers, or officials may go to one of the regional offices. Contact your community's BOA representative with questions about the forms or the tax rate setting process. Questions about the Automated Recap workbook should be referred to Arnold Kanter at (617) 626-2303.

The Division is hoping that this enhanced recap program will eliminate many fax submissions since they are often unreadable. Submitting the recap on a diskette along with the signed paper copies will expedite the review process and ensure timely approval. The new automated recap will be a welcome improvement for DLS as well as for local officials. ■

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in Our Opinion

Fair Cash Value of Affordable Housing

In April 1999 the Appellate Tax Board (ATB) made an important ruling concerning the proper assessment of residential properties which are subject to state affordable housing restrictions. The case is *Truehart v. Board of Assessors of Montague.*[1]

Three plaintiffs owned single family homes in the Town of Montague. The properties were under the Housing Opportunity Program (HOP) created by the Legislature in 1987 to promote homeownership opportunities for moderate income families. Under the program qualified first-time homebuyers can acquire a house at a discounted price and also receive a reduced rate mortgage from the Massachusetts Housing Finance Agency (MHFA). A qualified applicant's income must be sufficient to pay all costs associated with home ownership but not exceed 80 percent of the particular region's median income.

To increase the stock of affordable housing, officials at MHFA have negotiated agreements with developers to set aside a certain number of houses in new subdivisions as HOP units. By the mid-1990s, there were approximately 2,000 HOP units in 60 Massachusetts cities and towns. In this case, the developer had agreed to sell designated HOP units in Montague for no more than $95,000, although other identical homes in the development were selling for $125,000. The sale price and the actual appraised value are important factors. When a new owner acquires a HOP unit, a deed restriction is executed giving MHFA the right of first refusal, permitting MHFA to maintain the homes as HOP units for lower income homebuyers. The restriction establishes the maximum amount of the proceeds a HOP owner may realize upon selling a unit. When a HOP owner sells the property, his right to proceeds is limited by the same discount he received when he acquired the property. For example, if the HOP unit had an appraised value of $125,000 but was sold to the HOP buyer for $94,000, the owner received a discount of 24 percent. The same 24 percent discount must be applied to a future sale. Thus, although a home may appreciate to a fair market value of $200,000, the owner can realize no more than $152,000 from the sale.

In the ATB case, the new owners of the HOP properties in Montague received fiscal year 1992 tax bills which were the same as those received by owners of non-HOP homes. After their abatement applications were denied, the owners appealed to the ATB, claiming that their assessments should have been lower due to the existence of the resale restrictions.

In its opinion, the ATB recognized that actual arm's-length sales are the best evidence of full and fair cash value. In the Montague appeals, there had been sales of properties with HOP restrictions in 1990 and 1991 at sale prices significantly less than the assessors' fiscal year 1992 values. Although they clearly had an impact on the value of the HOP properties, the assessors had failed to consider the deed restrictions in valuing the parcels.

Courts in Massachusetts have held that the assessors should ignore impediments to value which are not permanent when they assess real property. The Supreme Judicial Court upheld an assessment which did not reflect an uneconomic lease. In *Donovan*, the court decided that assessors must assess the owner as if he were receiving market rent, even though the below market lease was for a long term, because the lease was not a permanent restriction.[2] On the other hand, however, the assessors must take into consideration an encumbrance that affects the use and enjoyment of a parcel permanently. In *Parkinson v. Board of Assessors of Medfield*, the Supreme Judicial Court ruled that a conservation restriction does affect a parcel's assessed value since it limits development of the land.[3]

In the ATB's view, the HOP resale restriction was a governmental restriction akin to a federal regulation that limits the income derived by the owner of a low-income housing project. The Supreme Judicial Court ruled that, unlike a disadvantageous lease which would have a temporary impact on the value of the property, such a restriction does affect the parcel's value because it is permanent.[4] In another important case, the New Jersey court ruled that resale restrictions established by its State's affordable housing program must be considered by the assessors in valuing the residential property.[5]

Accordingly, a governmental restriction which restricts resale affects the parcel's market value and must be considered by assessors in Massachusetts when valuing the property. In its *Truehart* decision, the ATB took into account the governmental restrictions when granting abatements to the three property owners in Montague. The ATB did not decide what the value would be if MHFA had not regularly exercised its right of first refusal. In such a scenario, whether and to what extent, the restriction should be considered was not decided.

written by James Crowley

1. Docket ## 198055, 198056, 198057, 1999.
2. *Donovan v. Haverhill*, 247 Mass. 69,71 (1923).
3. 398 Mass. 112 (1986).
4. *Community Development Company of Gardner v. Board of Assessors of Gardner*, 377 Mass. 351 (1979).
5. *Prowitz v. Ridgefield Park Village*, 568 A.2d 114 (1984), affirmed 584 A.2d 782 (1991).

Focus on Municipal Finance

FY1999 Single Family Tax Bills and Property Values

One of the most requested articles to appear in *City & Town* is the annual review of average single family tax bills and average assessed values in each of Massachusetts' cities and towns. From FY1998 to FY1999, the average single family tax bill statewide went up 3.8 percent, less than the 4.4 percent change occurring between FY1997 and FY1998, but more than the Consumer Price Index which increased by only 1.7 percent during the same period. The average assessed value increased by 5.2 percent between FY1998 and FY1999, more than the 3.7 percent change in the previous year. The average statewide tax rate declined for the first time since FY1990, from $14.92 in FY1998 to $14.73 in FY1999.

Statewide Trends

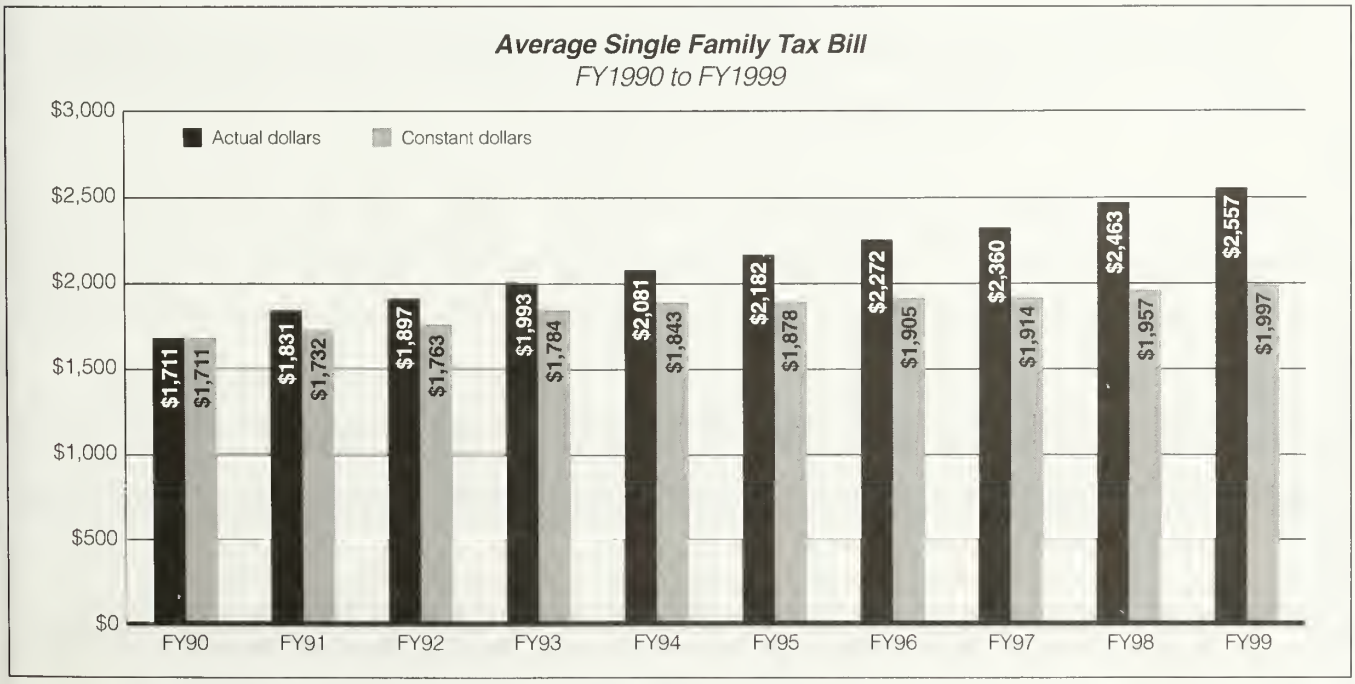
Figure 1 looks at the trend in average single family tax bills for the whole state since FY1990. Looking at actual dollars, there is a constant increase from $1,711 to $2,557 (49.4 percent). When translated into constant dollars, however, there has been much less change (16.7 percent). Constant dollars have been calculated by taking FY1990 dollars and applying the Consumer Price Index for All Urban Consumers, Boston. Eleven cities and towns with residential exemptions have been excluded from this analysis because their data are not reported in sufficient detail to calculate an average single family tax bill accurately. The communities excluded are Boston, Brookline, Cambridge, Chelsea, Marlborough, Nantucket, Somerset, Somerville, Tisbury, Waltham and Watertown.

Figure 2 shows that the statewide average assessed value in FY1999 is less than the average assessed value in FY1990 in both actual and constant dollars. In actual dollars, the average increased from $174,817 in FY1990 to $175,917 in FY1991, then decreased by 13 percent to $153,133 in FY1994. Between FY1994 and FY1999, the average value increased to $173,576 (13 percent), slightly less than the FY1990 average value. In adjusted dollars, the current average assessed value is $135,591; it was $174,817 in FY1990.

The actual tax rates increased steadily from $9.79 in FY1990 to $14.92 in FY1998, but declined by 1.3 percent for FY1999 to $14.73. *Table 2* shows the average single family tax rate, the average assessed value and the average tax bill statewide, in actual and constant dollars, for FY1990 through FY1999.

continued on page six ➡

Figure 1



FY1999 Average Single Family Tax Bills

Municipality	FY98 avg. value	FY99 avg. value	Pct. chg. value	FY98 avg. tax bill	FY99 avg. tax bill	FY99 hi–lo rank	Pct. chg. bill	FY99 tax rate
Abington	151,020	151,668	0.4	2,564	2,750	98	7.3	18.13
Acton	262,609	267,286	1.8	4,808	4,950	15	3.0	18.52
Acushnet	113,949	121,013	6.2	1,614	1,677	272	3.9	13.86
Adams	86,760	87,122	0.4	1,495	1,509	305	0.9	17.32
Agawam	117,763	118,659	0.8	1,857	1,885	229	1.5	15.89
Alford	245,176	250,689	2.2	1,824	1,865	234	2.2	7.44
Amesbury	150,328	154,242	2.6	2,813	2,692	102	–4.3	17.45
Amherst	163,658	164,967	0.8	3,142	3,296	55	4.9	19.98
Andover	263,091	284,814	8.3	4,162	4,321	22	3.8	15.17
Aquinnah	350,646	388,732	10.9	2,286	2,282	147	–0.2	5.87
Arlington	204,191	212,280	4.0	3,416	3,645	40	6.7	17.17
Ashburnham	102,754	103,710	0.9	1,787	1,845	239	3.2	17.79
Ashby	110,076	115,710	5.1	2,042	2,097	194	2.7	18.12
Ashfield	125,208	126,110	0.7	2,072	2,127	182	2.7	16.87
Ashland	175,667	183,992	4.7	3,146	3,371	53	7.2	18.32
Athol	74,885	75,088	0.3	1,073	1,111	329	3.5	14.79
Attleboro	121,446	128,360	5.7	1,858	1,916	224	3.1	14.93
Auburn	114,992	115,854	0.7	1,534	1,543	299	0.6	13.32
Avon	125,995	143,328	13.8	1,541	1,668	276	8.2	11.64
Ayer	126,692	137,871	8.8	1,287	1,525	302	18.5	11.06
Barnstable	179,416	180,775	0.8	2,110	2,225	162	5.5	12.31
Barre	96,319	96,657	0.4	1,780	1,639	284	–7.9	16.96
Becket	97,364	98,163	0.8	1,022	1,129	328	10.5	11.50
Bedford	244,284	294,154	20.4	3,310	3,521	48	6.4	11.97
Belchertown	125,523	126,235	0.6	2,204	2,252	157	2.2	17.84
Bellingham	130,748	134,228	2.7	1,970	1,981	208	0.6	14.76
Belmont	355,352	380,389	7.0	5,014	5,234	10	4.4	13.76
Berkley	139,092	139,869	0.6	1,648	1,747	256	6.0	12.49
Berlin	171,736	184,157	7.2	2,732	2,698	100	–1.2	14.65
Bernardston	110,785	111,338	0.5	1,819	2,015	202	10.8	18.10
Beverly	184,885	210,610	13.9	3,030	3,205	59	5.8	15.22
Billerica	144,058	155,469	7.9	2,226	2,349	138	5.5	15.11
Blackstone	126,556	126,951	0.3	1,869	1,964	213	5.1	15.47
Blandford	122,060	121,300	–0.6	1,606	1,633	285	1.7	13.46
Bolton	241,492	250,316	3.7	4,103	4,283	25	4.4	17.11
*Boston								
Bourne	153,034	153,654	0.4	1,963	2,004	204	2.1	13.04
Boxborough	272,646	284,068	4.2	5,044	5,017	13	–0.5	17.66
Boxford	298,323	321,863	7.9	4,266	4,841	17	13.5	15.04
Boylston	167,849	189,861	13.1	2,803	2,837	86	1.2	14.94
Braintree	159,656	160,317	0.4	2,055	2,139	177	4.1	13.34
Brewster	155,012	157,093	1.3	1,990	2,074	198	4.2	13.20
Bridgewater	155,851	157,762	1.2	2,313	2,420	127	4.6	15.34
Brimfield	113,825	115,630	1.6	1,678	1,791	248	6.7	15.49
Brockton	89,160	96,917	8.7	1,856	1,883	230	1.5	19.43
Brookfield	103,037	103,014	0.0	1,768	1,781	250	0.7	17.29
*Brookline								
Buckland	99,604	100,485	0.9	1,779	1,897	227	6.6	18.88
Burlington	176,177	193,423	9.8	2,026	2,108	190	4.0	10.90
*Cambridge								
Canton	219,463	221,487	0.9	2,884	3,019	76	4.7	13.63
Carlisle	374,146	386,310	3.3	5,721	6,034	4	5.5	15.62
Carver	116,394	116,989	0.5	2,191	2,233	160	1.9	19.09
Charlemont	92,222	102,088	10.7	1,963	2,096	195	6.8	20.53
Charlton	120,485	130,746	8.5	1,454	1,675	274	15.2	12.81
Chatham	248,106	248,439	0.1	2,389	2,355	136	–1.4	9.48
Chelmsford	166,860	180,434	8.1	3,167	3,268	57	3.2	18.11
*Chelsea								
Cheshire	106,153	106,898	0.7	1,233	1,229	324	–0.3	11.50
Chester	95,822	96,542	0.8	1,526	1,549	298	1.5	16.04
Chesterfield	107,762	108,630	0.8	2,142	2,269	154	5.9	20.89
Chicopee	98,154	99,231	1.1	1,549	1,610	287	3.9	16.22
Chilmark	572,622	573,319	0.1	1,884	1,840	240	–2.3	3.21
Clarksburg	88,995	88,750	–0.3	1,236	1,272	320	2.9	14.33
Clinton	112,389	112,508	0.1	1,754	1,868	233	6.5	16.60
Cohasset	322,305	341,124	5.8	4,851	5,100	11	5.1	14.95
Colrain	95,809	95,744	–0.1	1,773	1,720	261	–3.0	17.96
Concord	396,924	463,297	16.7	5,263	5,513	7	4.8	11.90
Conway	144,257	146,834	1.8	2,683	2,672	103	–0.4	18.20
Cummington	114,242	112,405	–1.6	1,566	1,613	286	3.0	14.35
Dalton	116,610	117,739	1.0	2,031	2,137	178	5.2	18.15
Danvers	185,847	186,435	0.3	2,840	2,899	83	2.1	15.55
Dartmouth	151,051	161,880	7.2	1,829	1,878	231	2.7	11.60
Dedham	181,472	189,323	4.3	2,535	2,660	107	4.9	14.05
Deerfield	133,990	143,747	7.3	1,923	1,890	228	–1.7	13.15
Dennis	132,424	143,241	8.2	1,241	1,268	321	2.2	8.85
Dighton	138,920	139,982	0.8	1,918	1,961	214	2.2	14.01
Douglas	118,632	130,283	9.8	2,035	2,126	184	4.5	16.32
Dover	455,923	534,134	17.2	5,480	5,705	6	4.1	10.68
Dracut	124,629	133,716	7.3	2,181	2,272	149	4.2	16.99
Dudley	107,155	112,300	4.8	1,193	1,213	325	1.7	10.80
Dunstable	186,616	202,985	8.8	2,978	3,191	60	7.2	15.72
Duxbury	253,522	269,906	6.5	4,208	4,386	21	4.2	16.25
E. Bridgewater	144,824	145,271	0.3	2,458	2,544	117	3.5	17.51
E. Brookfield	114,310	116,476	1.9	1,044	1,095	330	4.9	9.40
E. Longmeadow	138,108	143,820	4.1	2,613	2,794	92	6.9	19.43
Eastham	144,511	145,435	0.6	1,682	1,694	263	0.7	11.65
Easthampton	109,572	109,706	0.1	1,689	1,824	244	8.0	16.63
Easton	186,417	188,223	1.0	3,173	3,170	62	–0.1	16.84
Edgartown	269,440	306,408	13.7	2,333	2,304	142	–1.2	7.52
Egremont	184,423	211,326	14.6	1,903	2,025	201	6.4	9.58
Erving	88,332	88,566	0.3	993	833	334	–16.1	9.40
Essex	202,477	200,827	–0.8	2,740	2,832	88	3.4	14.10
Everett	114,134	119,799	5.0	1,421	1,536	301	8.1	12.82
Fairhaven	114,911	114,953	0.0	1,579	1,669	275	5.7	14.52
Fall River	119,197	119,781	0.5	1,204	1,252	322	4.0	10.45
Falmouth	168,769	184,041	9.0	1,983	2,043	200	3.0	11.10
Fitchburg	93,430	94,133	0.8	1,586	1,691	264	6.6	17.96
Florida	61,579	62,101	0.8	813	863	333	6.2	13.89
Foxborough	179,403	184,998	3.1	2,768	2,895	85	4.6	15.65
Framingham	170,129	170,899	0.5	3,003	3,045	72	1.4	17.82
Franklin	191,268	195,015	2.0	2,639	2,715	99	2.9	13.92
Freetown	136,597	138,222	1.2	1,922	1,917	223	–0.3	13.87
Gardner	88,712	91,742	3.4	1,623	1,679	270	3.5	18.30
Georgetown	187,699	192,665	2.6	2,814	2,896	84	2.9	15.03
Gill	103,828	109,582	5.5	1,479	1,666	278	12.6	15.20
Gloucester	166,659	199,526	19.7	2,797	3,011	77	7.7	15.09
Goshen	108,788	109,113	0.3	1,784	1,930	219	8.2	17.69
Gosnold	309,909	332,093	7.2	775	807	335	4.1	2.43
Grafton	155,620	154,723	–0.6	2,386	2,403	129	0.7	15.53
Granby	125,037	125,616	0.5	1,924	1,985	207	3.2	15.80
Granville	129,036	130,320	1.0	1,986	2,127	183	7.1	16.32
Gt. Barrington	147,679	149,460	1.2	2,386	2,562	115	7.4	17.14
Greenfield	98,574	102,248	3.7	2,021	2,093	196	3.6	20.47
Groton	180,934	203,311	12.4	3,297	3,564	46	8.1	17.53
Groveland	170,308	172,248	1.1	2,553	2,554	116	0.0	14.83
Hadley	134,936	150,425	11.5	1,796	1,876	232	4.5	12.47
Halifax	131,629	138,555	5.3	2,172	2,217	165	2.1	16.00
Hamilton	227,068	241,046	6.2	3,635	3,845	36	5.8	15.95
Hampden	142,164	143,300	0.8	2,491	2,670	104	7.2	18.63
Hancock	118,261	119,338	0.9	745	807	336	8.3	6.76
Hanover	197,230	207,423	5.2	3,418	3,599	44	5.3	17.35
Hanson	143,947	144,531	0.4	2,309	2,511	120	8.7	17.37
Hardwick	113,414	113,036	–0.3	1,812	1,831	241	1.0	16.20
Harvard	263,014	308,833	17.4	3,819	4,104	31	7.5	13.29
Harwich	165,243	165,770	0.3	1,933	1,940	217	0.4	11.70
Hatfield	146,581	146,700	0.1	1,778	1,851	238	4.1	12.62
Haverhill	115,732	133,704	15.5	2,131	2,211	168	3.8	16.54
Hawley	104,959	105,709	0.7	1,574	1,586	292	0.8	15.00
Heath	87,114	92,851	6.6	1,719	1,684	267	–2.0	18.14
Hingham	256,700	281,103	9.5	4,030	4,143	29	2.8	14.74
Hinsdale	99,242	99,304	0.1	1,498	1,609	288	7.4	16.20
Holbrook	113,548	114,657	1.0	2,288	2,223	163	–2.8	19.39
Holden	139,892	143,471	2.6	2,317	2,607	112	12.5	18.17
Holland	102,280	103,131	0.8	1,692	1,761	252	4.1	17.08
Holliston	194,427	200,006	2.9	3,321	3,572	45	7.6	17.86
Holyoke	94,523	94,269	–0.3	1,653	1,495	306	–9.6	15.86
Hopedale	144,430	152,467	5.6	2,637	2,778	94	5.3	18.22
Hopkinton	240,068	260,041	8.3	3,450	3,794	37	10.0	14.59
Hubbardston	109,647	110,191	0.5	1,706	1,752	255	2.7	15.90
Hudson	152,978	154,320	0.9	2,252	2,211	169	–1.8	14.33
Hull	128,169	140,132	9.3	2,511	2,667	106	6.2	19.03
Huntington	98,073	98,290	0.2	1,539	1,520	303	–1.2	15.46
Ipswich	206,661	209,232	1.2	2,825	2,990	78	5.8	14.29
Kingston	146,929	152,623	3.9	2,307	2,585	114	12.1	16.94
Lakeville	139,823	146,207	4.6	1,758	1,825	243	3.8	12.48
Lancaster	142,982	146,055	2.1	1,996	2,100	193	5.2	14.38
Lanesborough	110,745	109,928	–0.7	1,821	1,864	235	2.4	16.96
Lawrence	78,836	78,995	0.2	1,547	1,540	300	–0.5	19.50
Lee	114,233	113,199	–0.9	1,702	1,687	266	–0.9	14.90
Leicester	101,237	104,781	3.5	1,635	1,661	279	1.6	15.85
Lenox	159,481	168,018	5.4	2,249	2,285	146	1.6	13.60
Leominster	110,499	114,922	4.0	1,918	1,957	215	2.0	17.03
Leverett	145,800	146,063	0.2	2,979	3,063	71	2.8	20.97
Lexington	338,146	359,954	6.4	4,541	4,604	18	1.4	12.79
Leyden	137,298	125,553	–8.6	2,491	2,045	199	–17.9	16.29
Lincoln	549,023	599,420	9.2	6,627	7,127	2	7.5	11.89
Littleton	183,316	185,300	1.1	2,636	2,759	96	4.7	14.89
Longmeadow	196,446	196,942	0.3	3,870	3,927	33	1.5	19.94
Lowell	102,988	108,283	5.1	1,975	1,993	206	0.9	18.41
Ludlow	114,993	114,186	–0.7	1,886	1,864	236	–1.2	16.32
Lunenburg	129,776	135,443	4.4	2,357	2,411	128	2.3	17.80
Lynn	98,712	111,459	12.9	1,958	1,976	211	0.9	17.73
Lynnfield	242,571	283,737	17.0	3,459	3,603	43	4.2	12.70
Malden	129,469	129,739	0.2	2,121	2,186	171	3.1	16.85
Manchester	461,206	466,310	1.1	5,290	5,316	9	0.5	11.40
Mansfield	163,883	194,079	18.4	2,789	3,185	61	14.2	16.41
Marblehead	296,430	316,450	6.8	3,557	3,671	39	3.2	11.60
Marion	226,619	228,011	0.6	2,808	3,078	69	9.6	13.50
*Marlborough								
Marshfield	160,907	172,388	7.1	2,462	2,613	111	6.1	15.16
Mashpee	148,141	158,331	6.9	2,126	2,153	174	1.3	13.60
Mattapoisett	173,954	174,454	0.3	2,573	2,781	93	8.1	15.94
Maynard	151,661	152,819	0.8	2,715	2,835	87	4.4	18.55
Medfield	281,414	284,474	1.1	4,249	4,591	19	8.0	16.14
Medford	165,535	166,945	0.9	2,498	2,586	113	3.5	15.49
Medway	166,844	178,868	7.2	3,135	3,304	54	5.4	18.47
Melrose	183,818	197,400	7.4	3,035	3,103	68	2.2	15.72
Mendon	155,724	170,327	9.4	2,448	2,383	131	–2.7	13.99
Merrimac	157,289	159,133	1.2	2,394	2,365	134	–1.1	14.86

Municipality	FY98 avg. value	FY99 avg. value	Pct. chg. value	FY98 avg. tax bill	FY99 avg. tax bill	FY99 hi–lo rank	Pct. chg. bill	FY99 tax rate
Methuen	123,615	125,396	1.4	2,085	2,105	192	1.0	16.79
Middleborough	123,729	124,056	0.3	2,063	2,166	172	5.0	17.46
Middlefield	96,704	97,149	0.5	1,651	1,689	265	2.3	17.39
Middleton	190,925	217,606	14.0	2,898	3,151	64	8.7	14.48
Milford	142,403	147,913	3.9	2,320	2,449	123	5.6	16.56
Millbury	110,894	111,742	0.8	1,619	1,788	249	10.4	16.00
Millis	160,910	178,828	11.1	2,945	3,129	65	6.2	17.50
Millville	123,324	130,037	5.4	2,018	2,153	175	6.7	16.56
Milton	209,520	210,412	0.4	3,744	3,853	35	2.9	18.31
Monroe	57,491	58,626	2.0	707	750	337	6.1	12.80
Monson	118,410	119,023	0.5	1,851	1,902	226	2.8	15.98
Montague	94,354	94,925	0.6	1,502	1,588	291	5.7	16.73
Monterey	179,590	183,833	2.4	1,566	1,640	283	4.7	8.92
Montgomery	137,262	136,019	–0.9	1,893	1,925	221	1.7	14.15
Mt. Washington	174,456	176,816	1.4	1,015	1,061	332	4.5	6.00
Nahant	223,412	240,195	7.5	3,032	3,283	56	8.3	13.67
*Nantucket								
Natick	207,224	208,619	0.7	3,011	3,152	63	4.7	15.11
Needham	283,306	304,662	7.5	3,754	3,924	34	4.5	12.88
New Ashford	99,517	111,387	11.9	646	725	338	12.2	6.51
New Bedford	94,381	93,890	–0.5	1,440	1,468	312	1.9	15.63
New Braintree	125,216	125,187	0.0	2,079	2,121	186	2.0	16.94
New Marlborough	147,930	148,828	0.6	1,683	1,723	260	2.4	11.58
New Salem	112,477	112,758	0.2	1,518	1,556	297	2.5	13.80
Newbury	187,474	188,880	0.7	2,484	2,644	110	6.4	14.00
Newburyport	158,112	181,187	14.6	2,781	2,966	80	6.7	16.37
Newton	352,517	399,550	13.3	4,847	5,054	12	4.3	12.65
Norfolk	211,711	212,120	0.2	3,381	3,729	38	10.3	17.58
N Adams	74,032	74,243	0.3	1,140	1,161	326	1.8	15.64
N Andover	244,766	247,343	1.1	3,329	3,465	51	4.1	14.01
N. Attleborough	141,245	152,821	8.2	2,177	2,217	166	1.8	14.51
N Brookfield	104,293	104,281	0.0	1,354	1,354	316	0.0	12.98
N. Reading	195,358	225,433	15.4	3,319	3,476	50	4.7	15.42
Northampton	141,689	142,601	0.6	2,066	2,146	176	3.9	15.05
Northborough	191,691	201,304	5.0	2,952	3,263	58	10.5	16.21
Northbridge	120,290	131,515	9.3	1,783	1,829	242	2.6	13.91
Northfield	101,857	102,219	0.4	1,650	1,644	280	–0.4	16.08
Norton	138,734	141,139	1.7	2,217	2,230	161	0.6	15.80
Norwell	264,808	275,579	4.1	4,200	4,277	26	1.8	15.52
Norwood	169,945	170,555	0.4	2,252	2,335	139	3.7	13.69
Oak Bluffs	162,811	190,784	17.2	2,055	2,133	179	3.8	11.18
Oakham	132,101	133,795	1.3	1,635	1,739	258	6.4	13.00
Orange	72,829	72,786	–0.1	1,464	1,488	308	1.6	20.45
Orleans	228,313	260,038	13.9	2,180	2,195	170	0.7	8.44
Otis	139,299	139,795	0.4	1,190	1,251	323	5.1	8.95
Oxford	104,972	105,754	0.7	1,680	1,684	268	0.2	15.92
Palmer	100,925	102,513	1.6	1,740	1,808	247	3.9	17.64
Paxton	148,007	148,055	0.0	2,558	2,658	109	3.9	17.95
Peabody	176,327	177,217	0.5	1,716	1,724	259	0.5	9.73
Pelham	150,343	160,143	6.5	2,920	3,113	66	6.6	19.44
Pembroke	151,250	169,436	12.0	2,322	2,474	121	6.5	14.60
Pepperell	147,828	156,064	5.6	2,309	2,371	132	2.7	15.19
Peru	79,056	84,007	6.3	1,464	1,463	313	–0.1	17.42
Petersham	139,445	140,895	1.0	1,648	1,677	273	1.8	11.90
Phillipston	87,479	87,779	0.3	1,274	1,302	318	2.2	14.83
Pittsfield	91,843	94,180	2.5	1,594	1,679	271	5.3	17.83
Plainfield	111,581	111,841	0.2	1,580	1,642	281	3.9	14.68
Plainville	150,513	151,070	0.4	2,285	2,355	137	3.1	15.59
Plymouth	109,587	124,710	13.8	2,227	2,306	141	3.5	18.49
Plympton	153,268	172,030	12.2	2,768	2,909	81	5.1	16.91
Princeton	177,838	186,798	5.0	2,890	3,071	70	6.3	16.44
Provincetown	191,960	232,064	20.9	2,223	2,297	145	3.3	9.90
Quincy	143,724	149,001	3.7	2,199	2,271	151	3.3	15.24
Randolph	126,497	130,228	2.9	2,085	2,131	180	2.2	16.36
Raynham	159,513	161,152	1.0	2,058	2,163	173	5.1	13.42
Reading	215,266	223,404	3.8	3,472	3,550	47	2.2	15.89
Rehoboth	165,997	167,925	1.2	2,194	2,247	159	2.4	13.38
Revere	107,336	129,235	20.4	2,081	2,219	164	6.6	17.17
Richmond	164,595	188,805	14.7	2,449	2,447	125	–0.1	12.96
Rochester	146,252	164,129	12.2	2,077	2,125	185	2.3	12.95
Rockland	131,903	132,634	0.6	2,295	2,357	135	2.7	17.77
Rockport	214,372	215,591	0.6	3,314	3,391	52	2.3	15.73
Rowe	107,556	108,165	0.6	575	580	340	0.9	5.36
Rowley	172,910	202,868	17.3	2,642	2,905	82	10.0	14.32
Royalston	94,571	95,207	0.7	1,088	1,138	327	4.6	11.95
Russell	109,449	110,230	0.7	1,679	1,684	269	0.3	15.28
Rutland	119,472	129,909	8.7	1,846	1,768	251	–4.2	13.61
Salem	144,860	151,565	4.6	2,205	2,299	144	4.3	15.17
Salisbury	127,016	128,937	1.5	1,768	1,952	216	10.4	15.14
Sandisfield	150,098	150,231	0.1	1,438	1,436	314	–0.1	9.56
Sandwich	145,885	157,650	8.1	2,331	2,302	143	–1.2	14.60
Saugus	161,129	169,838	5.4	1,942	2,006	203	3.3	11.81
Savoy	87,227	88,800	1.8	1,235	1,273	319	3.1	14.34
Scituate	194,217	196,119	1.0	2,950	3,112	67	5.5	15.87
Seekonk	147,141	148,755	1.1	2,089	2,117	188	1.3	14.23
Sharon	210,916	212,034	0.5	4,012	4,311	23	7.5	20.33
Sheffield	142,103	143,369	0.9	2,194	2,259	156	3.0	15.76
Shelburne	117,242	123,278	5.1	1,719	1,817	246	5.7	14.74
Sherborn	405,886	420,076	3.5	6,348	6,587	3	3.8	15.68
Shirley	128,413	128,723	0.2	1,848	1,913	225	3.5	14.86
Shrewsbury	165,106	168,526	2.1	2,199	2,267	155	3.1	13.45
Shutesbury	132,999	132,181	–0.6	2,841	2,814	90	–1.0	21.29
*Somerset								
*Somerville								
S. Hadley	128,753	129,722	0.8	2,032	2,107	191	3.7	16.24
Southampton	140,553	143,454	2.1	2,039	2,110	189	3.5	14.71
Southborough	268,735	272,604	1.4	3,520	4,045	32	14.9	14.84
Southbridge	94,061	94,450	0.4	1,484	1,490	307	0.4	15.78
Southwick	121,934	123,915	1.6	1,814	1,927	220	6.2	15.55
Spencer	107,224	108,443	1.1	1,224	1,303	317	6.5	12.02
Springfield	75,628	77,597	2.6	1,558	1,602	289	2.8	20.65
Sterling	152,074	154,623	1.7	2,350	2,466	122	4.9	15.95
Stockbridge	198,361	207,051	4.4	1,924	2,004	205	4.2	9.68
Stoneham	177,999	179,084	0.6	2,974	3,035	74	2.1	16.95
Stoughton	139,329	153,303	10.0	2,422	2,523	119	4.2	16.46
Stow	216,309	226,421	4.7	4,051	4,234	27	4.5	18.70
Sturbridge	125,213	128,758	2.8	2,261	2,312	140	2.3	17.96
Sudbury	330,584	334,879	1.3	5,279	5,459	8	3.4	16.30
Sunderland	132,467	142,302	7.4	2,263	2,277	148	0.6	16.00
Sutton	135,407	137,067	1.2	2,120	2,370	133	11.8	17.29
Swampscott	226,480	268,962	18.8	4,074	4,161	28	2.1	15.47
Swansea	126,942	131,515	3.6	1,602	1,668	277	4.1	12.68
Taunton	117,166	117,764	0.5	1,474	1,517	304	2.9	12.88
Templeton	96,653	97,035	0.4	1,148	1,068	331	–7.0	11.01
Tewksbury	162,965	164,311	0.8	2,278	2,401	130	5.4	14.61
*Tisbury								
Tolland	140,703	141,953	0.9	658	667	339	1.4	4.70
Topsfield	265,241	281,911	6.3	3,623	4,302	24	18.7	15.26
Townsend	123,605	130,180	5.3	2,204	2,272	150	3.1	17.45
Truro	233,418	253,052	8.4	1,816	1,923	222	5.9	7.60
Tyngsborough	150,992	153,089	1.4	2,938	3,024	75	2.9	19.75
Tyringham	201,039	222,259	10.6	1,829	1,978	209	8.1	8.90
Upton	177,449	199,344	12.3	2,193	2,444	126	11.4	12.26
Uxbridge	142,441	144,257	1.3	2,256	2,249	158	–0.3	15.59
Wakefield	172,813	196,933	14.0	2,800	2,759	97	–1.5	14.01
Wales	89,390	94,322	5.5	1,467	1,562	295	6.5	16.56
Walpole	188,200	205,180	9.0	2,878	3,041	73	5.7	14.82
*Waltham								
Ware	101,339	101,605	0.3	1,719	1,978	210	15.1	19.47
Wareham	94,479	95,250	0.8	1,367	1,414	315	3.4	14.84
Warren	91,395	91,519	0.1	1,502	1,474	311	–1.9	16.11
Warwick	84,641	85,162	0.6	1,534	1,560	296	1.7	18.32
Washington	118,850	120,630	1.5	1,509	1,642	282	8.8	13.61
*Watertown								
Wayland	315,754	318,516	0.9	5,668	5,800	5	2.3	18.21
Webster	113,309	113,430	0.1	1,343	1,572	294	17.1	13.86
Wellesley	469,674	493,530	5.1	4,711	4,866	16	3.3	9.86
Wellfleet	191,368	190,874	–0.3	1,749	1,745	257	–0.2	9.14
Wendell	80,587	80,853	0.3	1,652	1,695	262	2.6	20.97
Wenham	294,557	296,584	0.7	3,929	4,464	20	13.6	15.05
W. Boylston	145,281	149,476	2.9	2,582	2,659	108	3.0	17.79
W. Bridgewater	146,789	147,200	0.3	2,184	2,271	152	4.0	15.43
W. Brookfield	113,743	117,824	3.6	1,570	1,600	290	1.9	13.58
W. Newbury	257,655	268,952	4.4	3,630	3,623	42	–0.2	13.47
W. Springfield	115,177	120,225	4.4	2,049	2,121	187	3.5	17.64
W. Stockbridge	176,615	178,909	1.3	2,642	2,669	105	1.0	14.92
W. Tisbury	268,113	332,985	24.2	2,708	2,697	101	–0.4	8.10
Westborough	215,061	224,504	4.4	3,647	3,507	49	–3.8	15.62
Westfield	121,911	122,610	0.6	1,958	1,972	212	0.7	16.08
Westford	208,775	236,051	13.1	3,315	3,635	41	9.7	15.40
Westhampton	141,073	142,313	0.9	2,384	2,448	124	2.7	17.20
Westminster	115,711	117,170	1.3	1,802	1,857	237	3.1	15.85
Weston	553,564	660,958	19.4	7,401	7,753	1	4.8	11.73
Westport	172,812	173,527	0.4	1,725	1,756	253	1.8	10.12
Westwood	275,709	279,495	1.4	3,874	4,123	30	6.4	14.75
Weymouth	133,995	148,808	11.1	2,176	2,271	153	4.4	15.26
Whately	142,579	147,564	3.5	2,686	2,771	95	3.2	18.78
Whitman	118,174	125,300	6.0	2,349	2,536	118	8.0	20.24
Wilbraham	160,181	161,633	0.9	2,723	2,806	91	3.0	17.36
Williamsburg	145,230	145,128	–0.1	1,998	2,093	197	4.8	14.42
Williamstown	187,559	189,437	1.0	2,468	2,826	89	14.5	14.92
Wilmington	161,532	162,932	0.9	2,129	2,213	167	3.9	13.58
Winchendon	91,136	91,631	0.5	1,413	1,482	309	4.9	16.17
Winchester	317,129	339,917	7.2	4,827	4,976	14	3.1	14.64
Windsor	105,384	105,806	0.4	1,340	1,481	310	10.5	14.00
Winthrop	147,222	147,086	–0.1	2,098	2,128	181	1.4	14.47
Woburn	152,518	163,907	7.5	1,780	1,823	245	2.4	11.12
Worcester	104,655	104,893	0.2	1,890	1,938	218	2.5	18.48
Worthington	123,947	132,404	6.8	1,724	1,753	254	1.7	13.24
Wrentham	190,441	193,475	1.6	2,893	2,970	79	2.7	15.35
Yarmouth	125,294	125,349	0.0	1,516	1,582	293	4.4	12.62
State average	**165,050**	**173,576**	**5.2**	**2,463**	**2,557**	**—**	**3.8**	**14.73**

*Data not available for communities with residential exemptions.

Table 1

Single Family Tax Bills & Property Values
➡ *continued from page three*

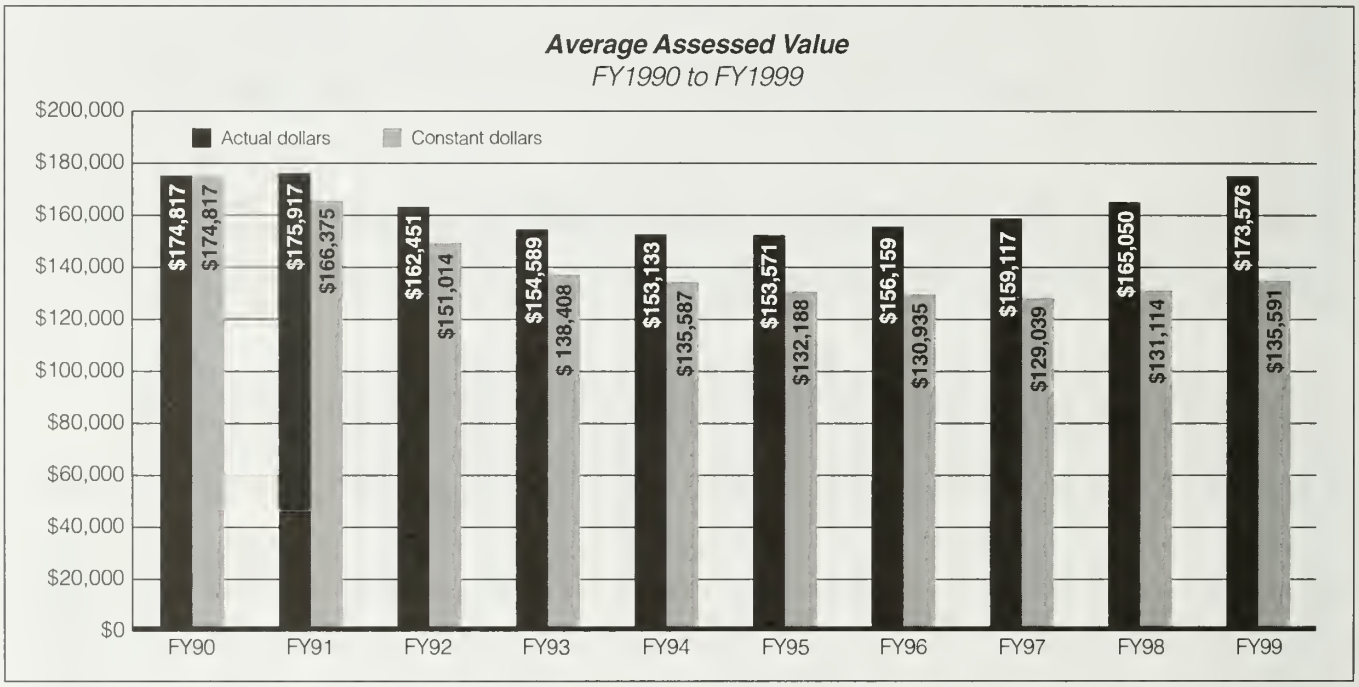


Figure 2

Community trends

Table 1 shows the average single family assessed value and tax bill for FY1998 and FY1999, ranks communities from high to low for the FY1999 average tax bill, and shows percent change in average value and in the average tax bill. Generally, communities with higher assessed values have higher average tax bills. The five communities with the highest average tax bills are Weston ($7,753), Lincoln ($7,127), Sherborn ($6,587), Carlisle ($6,034) and Wayland ($5,800). When ranked on average assessed value, Weston and Lincoln rank 1st and 2nd respectively, Sherborn ranks 8th, Carlisle ranks 11th and Wayland ranks 20th. There also appears to be a strong correlation between high average tax bills and per capita income. Weston (1), Sherborn (2), Carlisle (4), Lincoln (5) and Wayland (6) are at the top of the list when arrayed by per capita income.[1] Communities on the Cape and Islands tend to have high assessed values but lower tax bills due to a large number of seasonal properties whose residents have a lower demand for services. Four of the communities in the top 25 for average assessed value are located on Martha's Vineyard and the Elizabeth Islands. Chilmark has the 3rd highest average assessed value, but ranks 240th for average tax bill. Aquinnah is 10th in value, but 147th for tax bill. West Tisbury is 17th for value but 101st for tax bills and Gosnold is 12th for value but 335th for average tax bill.

The relationship between average tax bills and average assessed value is not as strong at the other end of the spectrum. The communities with the lowest average tax bills are Rowe ($580), Tolland ($667), New Ashford ($725), Monroe ($750), and Hancock ($807). These communities, all small towns in western Massachusetts, rank 235th, 192nd,

continued on page seven ➡

Table 2. FY90–FY99 Average Tax Rates and Tax Bills

		Actual dollars		Constant FY90 dollars	
Fiscal year	Average single family tax rate	Average assessed value	Average tax bill	Average assessed value	Average tax bill
1990	9.79	174,817	1,711	174,817	1,711
1991	10.41	175,917	1,831	166,375	1,732
1992	11.68	162,451	1,897	151,014	1,763
1993	12.89	154,589	1,993	138,408	1,784
1994	13.59	153,133	2,081	135,587	1,843
1995	14.21	153,571	2,182	132,188	1,878
1996	14.59	156,159	2,272	130,935	1,905
1997	14.83	159,117	2,360	129,039	1,914
1998	14.92	165,050	2,463	131,114	1,957
1999	14.73	173,576	2,557	135,591	1,997

Note: Constant FY90 dollars calculated using the Consumer Price Index for All Urban Consumers, Boston.

DLS UPDATE

Y2K Outreach Project

During FY1999, the Division of Local Services (DLS) has provided a special service to local communities, in conjunction with the Governor's task force on Y2K. DLS has offered assistance to small towns with less than 20,000 population, by preparing an inventory of their computer equipment and programs, identifying potential Y2K problems and assisting in contingency planning. To date 176 communities have requested assistance. In addition, DLS has a website for local officials to query about which vendors are Y2K compliant and for the public to determine their community's Year 2000 readiness. The DLS website is constantly being updated, as new information becomes available. The address is www.dls.state.ma.us/y2kinfo.htm.

One-Day Tax Seminar

The Department of Revenue (DOR) will sponsor a one-day informational seminar on Massachusetts' state sales, property and corporate taxes at the Boston Marriott in Newton on October 21, 1999. The seminar will be co-hosted by DOR and the Institute of Professionals in Taxation. The seminar is geared toward practitioners, attorneys, business owners and other professionals in the sales and use, property and corporate tax fields. DOR is finalizing the agenda and selecting speakers. Sample topics include an overview of the audit process, Departmental initiatives, and recent court decisions. Commissioner of Revenue Frederick A. Laskey and other key personnel from DOR will be making presentations.

Contact DOR's Office of the Taxpayer Advocate at (617) 626-2201, or visit DOR's website at www.state.ma.us/dor for further details and registration information. The projected cost for the seminar is $125 and continuing education credits are available to attendees.

Purchasing Course Update

Participation in the Inspector General's Massachusetts Certified Public Purchasing Program (MCPPO) has been outstanding. Authorized by the legislature in 1996 to establish a training program to promote professionalism in public contracting, the office of the Inspector General has awarded over 1100 course completion certificates and over 100 MCPPO Designations have been approved for award.

Seminars currently being offered include: Public Contracting Overview; Suppliers and Services; and Design and Construction Contracting. Each three-day seminar provides a comprehensive overview of purchasing principles and legal requirements for public contracting, as well as workshops that apply contracting knowledge to practical problems faced by procurement officials. Anyone with responsibility for procurements, contract management or oversight, or auditing will benefit from these seminars. Participants can earn continuing education credits, professional development points, or work toward an undergraduate or graduate college degree by completing MCPPO seminars.

For more information, please contact Anne Tierney or Genesi Dorsey at (617) 523-1205 or visit the web site at www.state.ma.us/ig/ighome. ■

Single Family Tax Bills
➡ *continued from page six*

274th, 340th and 248th on average assessed value. The relationship between average tax bill and per capita income is not as strong either. Tolland, which has the second lowest tax bill, ranks 67th for per capita income. Hancock is also above the median income, ranking 153rd. Rowe, New Ashford and Monroe rank 231st, 314th and 336th respectively.

From FY1998 to FY1999 the average tax bill decreased in 41 communities. The percentage decrease ranged from as little as –0.1 percent in Easton, Peru, Richmond and Sandisfield, to 17.9 percent in Leyden. The largest increases occurred in Topsfield (18.7 percent), Ayer (18.5 percent), Webster (17.1 percent), Southborough (14.9 percent), and Williamstown (14.5 percent). The average assessed value declined in 19 communities. The decline was less than one percent in most communities, but Leyden experienced a decline in the average assessed value of 8.6 percent. On the other hand, 42 communities had increases of more than 10 percent in average assessed value. The top five increases were West Tisbury (24.2 percent), Provincetown (20.9 percent), Bedford (20.4 percent), Revere (20.4 percent) and Gloucester (19.7 percent).

Tax bill, assessed value and tax rate data come from the FY1999 property tax information that local assessors submit to the Division of Local Services. The average tax bill for each community is calculated by dividing the total tax levy for all single family parcels by the total number of single family parcels. The same is done with state totals to get the statewide average. Average assessed value is calculated by dividing the total assessed value by the total number of parcels. The statewide average tax rate is calculated by dividing the statewide total tax levy by the total assessed value. ■

written by Jean McCarthy
data provided by Debbie DePerri & Stanley Nyberg

1. US Census, 1989.

Municipal Fiscal Calendar

October 1
Collector: *Mail first semi-annual tax bills.*

Taxpayer: *Last date to file application to have land valued and taxed as agricultural/ horticultural land or recreational land, M.G.L. ch. 61A and ch. 61B.*

October 15
DOE: *Notify communities of any prior-year school spending deficiencies.*

Superintendent: *Submit school foundation enrollment report to DOE.*

October 31
Accountant: *Submit Schedule A for prior fiscal year.*

Selectmen: *Begin establishing next fiscal year budget guidelines and request department budgets.*

Assessors: *Begin work on tax rate recapitulation sheet (to set tax rate for semi-annual bills).*

Opportunities for Training

Assessment Administration: Law, Procedures, Valuation will be offered at the Massachusetts Maritime Academy in Bourne on eight Wednesday evenings from 7:00 p.m. to 10:00 p.m. beginning September 22.

Classification Training Workshop at the Massachusetts Maritime Academy in Bourne on Wednesday, October 20, at 7:00 p.m.

"What's New in Municipal Law" will be offered at the Sheraton Framingham Hotel in Framingham on Friday, October 15, 1999; and at the Best Western Sovereign Hotel in West Springfield on Friday, October 22, 1999, from 9:00 a.m. to 3:00 p.m.

For more information, contact Barbara LaVertue, Coordinator of Training, at (617) 626-2340. ■

Countdown to Y2K

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS website at **www.state.ma.us/dls** or by writing to PO Box 9490, Boston, MA 02205-9490.

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Frederick A. Laskey, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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Protecting the Community's Interest

written by Christopher M. Hinchey

Local communities have an almost foolproof method of collecting unpaid real estate taxes. A municipal real estate tax is secured by a lien, the enforcement of which gives cities and towns their most effective collection remedy. The lien arises automatically on the assessment date, January 1. It is generally superior to other interests in the property, such as mortgages and other liens, and to the rights of owners and heirs, even when those other interests were created before the tax lien arose. This superior status means that if a town forecloses on a tax title, other interests in the property such as mortgages are wiped out. By contrast, the foreclosure of a mortgage or other inferior interests would generally not eliminate the town's tax title.

Although a municipal tax lien is superior to other interests in real estate, it may be lost if it is not perfected. A tax taking or a tax sale perfects the tax lien. An unperfected tax lien can be lost at any time if the collector prepares and records a municipal lien certificate that fails to list those outstanding taxes. Unperfected liens that are more than five years old *will* be lost if there is a recorded transfer of ownership of the property. If a deed is recorded before the end of the five-year period, however, the lien will still be good until the fifth December 31 following the assessment date. It will only be lost if no tax taking or tax sale is made by that date.

For collection purposes, property tax liens secure not only the taxes committed by the assessors, but also other municipal charges such as water and sewer bills that have been added to the tax and the interest and collection charges incurred under M.G.L. Ch. 60. In towns that have tax-levying districts, such as water or fire districts, tax takings or sales will perfect district liens as well as the town liens.

Even if a lien is lost, the underlying tax is still due and may be enforced by any of the other collection remedies available to a collector. These include a suit against the assessed owner, a withholding and set-off of any money owed by the city or town to the assessed owner, and — in municipalities that have accepted M.G.L. Ch. 40 §57 and adopted an implementing ordinance or bylaw — the denial or revocation of municipal licenses and permits.

Perfecting the lien ensures that the community will not lose its right to collect the unpaid taxes.

Because the lien is such an effective collection mechanism, it is obviously best not to lose it. The risk of losing tax liens can be reduced by promptly perfecting them. Municipal collectors can perfect tax liens through either of two methods: a tax taking or a tax sale. Both methods require that a demand notice for the delinquent taxes be issued at least 14 days before any notice of sale or taking. The demand notices themselves will often result in payment of the taxes. Many collectors use a series of notices to trim the list of delinquent taxpayers.

Tax takings, which are both simpler and more common than tax sales, are the preferred method if the taxes remain unpaid after the demand. The collector must wait at least 14 days after sending the demand before giving notice of intent to take. The collector must post the notice in two public places in town and have it printed in a local newspaper. The notice must contain a description of the property to be taken, the amount of taxes and other charges for which the property will be taken, the names of all owners known to the collector, and the time and place of the taking. The date of the taking must be at least 14 days after the notice of intent to take. Errors and irregularities in the assessment or proceedings for collection will not invalidate a tax title unless they are substantial or misleading. For example, a typographical error in transcribing the description of a house lot as ".78 acres, more or less" from a deed that described it as ".87 acres, more or less" is unlikely to be viewed as substantial or misleading.

After the taking, the collector must record or register an instrument of taking at the registry of deeds within 60 days of the date of taking; otherwise, the taking will not be effective. The

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LEGAL

in Our Opinion

Defining Charitable Purposes

The Appeals Court recently considered the tax status of charitable organizations in *Sturdy Memorial Foundation, Inc. v. Board of Assessors of North Attleborough.*[1] Sturdy Memorial Foundation, Inc. (Foundation) is a non-profit corporation formed "to support the advancement of the knowledge and practice of, and education, and research in, medicine ... exclusively for the benefit of Sturdy Memorial Hospital and its affiliated organizations." Foundation owned a two story medical office building in North Attleborough. It leased 82 percent of the office building to Sturdy Memorial Associates, Inc. (Associates) for a medical center. It leased the remaining 18 percent of the building to private doctors. The lessee (Associates) is also a non-profit corporation established to provide medical services and health education to individuals in the Sturdy Memorial Hospital's service area.

When the North Attleborough Assessors taxed the subject parcel for fiscal years 1996 and 1997, Foundation filed timely exemption applications which the assessors denied. Foundation then appealed to the Appellate Tax Board (ATB). At issue was the exempt status of the portion of the property leased to Associates. Foundation did not contest the taxable status of the 18 percent of the subject building used by the private physicians.

The ATB ruled in favor of the assessors. The ATB reasoned that if the parcel were indeed exempt, the burden of proof was on the taxpayer to demonstrate that it came within the terms of some statutory provision. M.G.L. Ch. 59 Sec. 5 Cl. 3 affords an exemption for real estate owned by a charitable organization and occupied for charitable purposes on July 1. In this ATB case, both the owner (Foundation) and the lessee (Associates) had to qualify as charitable organizations, and the lessee had to occupy the premises for charitable purposes. The assessors conceded that Foundation was a charitable organization. The ATB, however, held that the portion of the subject property leased to Associates was not occupied for charitable purposes. A hospital administrator had testified that Associates was formed to recruit new doctors to the North Attleborough area. Associates consisted of six doctors whose salaries and expenses it paid. In 1996 there were approximately 18,000 patient visits to Associates' building. The ATB concluded that the free care provided by Associates consisted only of uncollected amounts, akin to a bad debt write-off. The ATB also found no evidence that medical care was provided at less than full cost. In the ATB's view, Associates was similar to a private group medical practice. Moreover, the property was not being used to benefit an indefinite class of the public. Rather, the occupancy was primarily for the benefit of the member doctors and to create a patient base for Sturdy Memorial Hospital.

In upholding the real estate tax, the ATB attempted to distinguish this fact situation from that presented in *Harvard Community Health Plan, Inc. v. Assessors of Cambridge.*[2] In *Harvard Community*, the HMO served 64,000 enrollees at a full-service clinical training center in Cambridge that the Supreme Judicial Court described as a hospital operation. The ATB emphasized that health care organizations do not receive blanket exemptions. In the *North Attleborough* case, the ATB ruled that that the exemption should be denied since only a limited group was benefited by Associates.

In its appeal, Foundation claimed that the ATB had improperly denied its motion to present additional findings of fact. Foundation had tried to introduce evidence that Associates operated at a deficit and was subsidized by Foundation. In addition, Foundation asserted that the doctors at Associates were paid at below market rates. Also, 25 percent of the patients who were seen by the doctors were high-risk patients referred by Sturdy Memorial Hospital. The Appeals Court held that in failing to consider these additional factors, the ATB had abused its discretion. In the Court's view, these findings of fact, if not contradicted, would establish that the occupancy of the subject premises was not primarily for the private gain of the doctors since there was no profit. Secondly, Associates served a large and indefinite class since the 18,000 patient visits in 1996 represented a 14-patient daily average for each doctor. In the Court's view, the hospital referrals indicated that 25 percent of the patients were seriously ill, and the referrals were in the best interests of the patients.

Accordingly, the Appeals Court reversed the judgment in favor of the North Attleborough assessors and remanded the case to the ATB for further consideration of the additional findings of fact offered by Foundation.

1. 47 Mass. App. Ct. 519 (1999).
2. 384 Mass. 536 (1981).

Focus on Municipal Finance

Motor Vehicle Excise

The increased number of new and used cars on the road is a manifestation of an improved economy in Massachusetts. Local cities and towns welcome this circumstance since motor vehicle excise (MVE) collections often represent their second largest locally generated source of revenue after the property tax. Statewide, the total MVE collected increased by 13.57 percent between FY1997 and FY1998. As a result, motor vehicle receipts as a percent of the total budget statewide increased from 3.4 percent to 3.7 percent. The average age of vehicles statewide has decreased from 8.1 years in FY1997 to 7.7 years in FY1998, reflecting the increased number of new cars. The statewide average bill increased from $81.47 in FY1997 to $85.43 in FY1998. The information on MVE collections used in this article comes from actual receipts reported on the FY1999 tax rate recapitulation sheets. The Registry of Motor Vehicles (RMV) provided information on the average age of vehicles and the total number of vehicles in each community used to calculate the average bills.

The MVE is usually paid to the community where the vehicle is garaged. The RMV calculates the amount of the motor vehicle excise due by multiplying the excise value of the vehicle by the $25 rate specified in the Massachusetts General Laws. The excise value of a vehicle is the applicable percentage of the manufacturer's suggested retail price for the year the vehicle was manufactured. The applicable percentages are:

In the year preceding the year of manufacture	50%
In the year of manufacture	90%
In the second year	60%
In the third year	40%
In the fourth year	25%
In the fifth and succeeding years	10%

Figure 1

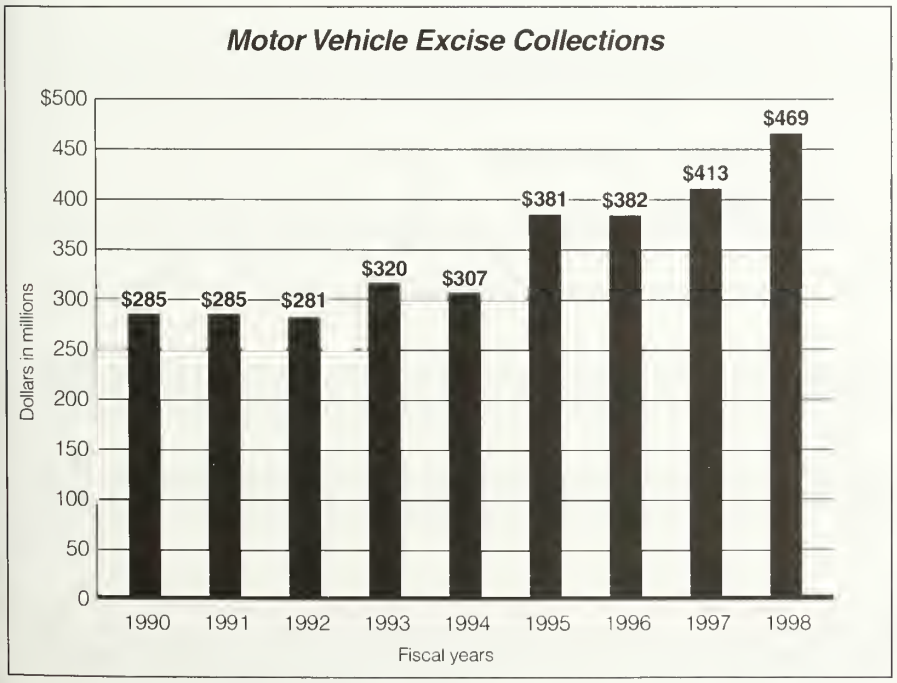

Figure 1 shows the total MVE collections from FY1990 through FY1998 in actual dollars. Reflecting the economic recession in the early 1990s, the total MVE collections in FY1990 decreased by over 15 percent from FY1989. Collections then remained relatively stable through FY1992. In 1992 the Registry of Motor Vehicles began to implement a non-renewal program, placing licenses and registrations in non-renewal status for non-payment of the MVE. Such licenses or registrations cannot be renewed until the MVE, including all fees and charges, has been paid in full. The non-renewal program significantly increased collections in FY1993; however, collections decreased to a more normal level in FY1994. In FY1995 the Registry mailed commitments in May rather than July, increasing FY1995 totals and decreasing FY1996 totals. Collections have increased steadily since then. The FY1998 total collected was an all time high of $469 million.

Local Trends

Table 1 shows MVE collections for each of the 351 communities in Massachusetts for FY1997 and FY1998. It gives collections as a percent of total budget, the average age of vehicles, the average MVE bill and the rank of the average bill. Generally, as average age increases the average bill decreases; however, in some communities, more expensive initial prices increase the average bills even though the vehicles are older.

When communities are arrayed starting with the highest average MVE bill, Weston is first at $139.02 and the town of Wendell is last with $38.80. The top five communities are Weston ($139.02), Chelsea ($135.29), Canton ($130.81), Southborough ($129.76) and Andover ($127.41). Although Chelsea is a small

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Motor Vehicle Excise Collection, FY1997 and FY1998

Municipality	97 actual	98 actual	Avg. age	Avg. bill	Rank in avg. bill
Abington	865,953	1,041,913	7.9	79.93	157
Acton	1,963,758	2,102,780	6.38	103.59	49
Acushnet	594,315	630,291	8.69	62.09	312
Adams	509,038	550,062	8.09	71.31	244
Agawam	2,035,770	2,216,200	7.75	78.79	165
Alford	48,184	58,088	8.2	103.91	48
Amesbury	961,565	1,117,876	7.65	74.54	214
Amherst	1,043,282	1,236,066	8.09	67.64	272
Andover	3,173,024	4,005,525	6.39	127.41	5
Aquinnah	17,675	21,095	11.73	42.27	349
Arlington	2,947,864	3,360,273	7.07	90.31	99
Ashburnham	409,550	433,177	8.1	74.47	216
Ashby	183,629	184,801	8.63	58.17	328
Ashfield	105,855	114,077	8.65	60.65	321
Ashland	1,147,779	1,523,639	7.02	104.98	47
Athol	531,988	612,256	8.74	63.07	305
Attleboro	2,496,915	2,850,560	8.11	75.47	205
Auburn	1,432,480	1,361,904	6.96	82.47	144
Avon	549,807	722,508	7.78	119.84	13
Ayer	533,305	605,565	8.99	62.24	311
Barnstable	3,539,678	3,618,567	8.28	69.07	262
Barre	312,166	357,789	8.5	69.77	253
Becket	107,429	128,928	9.73	65.65	286
Bedford	1,096,513	1,264,511	7.07	90.44	97
Belchertown	734,035	917,215	8.32	72.86	232
Bellingham	1,064,958	1,168,546	7.77	75.56	202
Belmont	1,913,281	2,115,469	6.95	97.51	71
Berkley	356,840	402,346	7.86	72.49	234
Berlin	179,051	215,921	8.79	76.11	194
Bernardston	147,746	163,397	8.65	67.35	275
Beverly	2,566,671	3,045,321	7.6	86.56	117
Billerica	3,050,587	3,391,611	7.4	86.13	121
Blackstone	512,282	556,157	8.27	65.04	290
Blandford	79,067	108,074	9.2	76.43	191
Bolton	373,643	427,960	7.07	94.18	82
Boston	30,275,142	32,341,091	7.56	89.54	102
Bourne	1,332,647	1,415,367	7.69	73.41	225
Boxborough	390,425	461,524	6.57	97.53	70
Boxford	849,548	936,933	6.88	113.14	25
Boylston	467,326	475,035	7.09	101.24	57
Braintree	3,035,223	3,501,178	7.03	106.73	40
Brewster	691,146	825,391	8.19	75.65	200
Bridgewater	1,432,068	1,696,701	7.42	84.25	134
Brimfield	247,536	242,753	8.6	65.70	285
Brockton	3,966,366	4,647,418	8.77	69.74	254
Brookfield	174,250	217,271	8.21	67.81	271
Brookline	3,686,845	4,260,216	6.56	106.24	42
Buckland	85,419	91,208	8.85	50.50	345
Burlington	2,018,254	2,464,075	6.51	105.79	44
Cambridge	4,497,548	4,716,502	7.89	76.08	195
Canton	2,197,692	2,769,535	6.38	130.81	3
Carlisle	487,993	560,364	7.24	106.03	43
Carver	694,661	781,039	7.81	71.72	240
Charlemont	63,601	77,135	9.49	56.39	332
Charlton	767,265	836,773	7.6	74.61	212
Chatham	656,076	691,750	8.46	73.25	227
Chelmsford	2,825,988	3,231,009	6.93	91.91	89
Chelsea	1,345,194	2,538,763	8.72	135.29	2
Cheshire	206,551	278,875	8.05	77.55	176
Chester	73,082	91,472	9.34	55.14	336
Chesterfield	65,503	73,166	9.52	57.93	330
Chicopee	3,029,274	3,372,251	8.69	71.24	245
Chilmark	111,773	114,609	11.61	64.17	301
Clarksburg	129,292	120,748	7.83	74.08	220
Clinton	777,092	854,077	8.08	74.14	219
Cohasset	753,970	866,235	7.45	108.44	33
Colrain	102,519	112,979	9.19	63.33	303
Concord	1,751,661	1,978,453	6.72	114.93	22
Conway	112,000	129,115	7.88	100.24	61
Cummington	59,490	76,621	9.4	65.21	289
Dalton	515,945	543,624	7.42	84.97	130
Danvers	2,129,781	2,414,747	7.02	93.84	83
Dartmouth	1,842,913	2,066,540	8.07	71.86	238
Dedham	2,222,453	2,542,260	7.32	108.80	32
Deerfield	461,305	509,555	8.07	89.04	103
Dennis	1,222,605	1,457,623	8.28	79.99	155
Dighton	407,412	445,470	8.43	69.12	261
Douglas	452,500	501,186	8.03	69.72	255
Dover	775,056	774,654	6.73	125.07	8
Dracut	1,937,702	2,112,769	7.6	77.22	182
Dudley	586,477	665,403	7.65	72.72	233
Dunstable	240,295	278,528	7.48	90.46	96
Duxbury	1,579,258	1,847,997	6.85	117.12	17
E. Bridgewater	660,061	998,053	8.42	82.79	143
E. Brookfield	160,809	164,670	8.17	73.06	230
E. Longmeadow	1,131,741	1,230,217	7.76	85.34	124
Eastham	358,787	427,099	8.85	64.55	296
Easthampton	881,709	973,151	8.42	64.82	291
Easton	1,812,703	2,005,424	7.13	97.23	73
Edgartown	335,558	434,150	10.17	67.52	273
Egremont	119,457	137,016	8.62	86.34	119
Erving	71,514	92,042	9.22	63.87	302
Essex	292,502	340,379	8.02	79.62	158
Everett	2,094,575	2,157,957	8.21	80.99	150
Fairhaven	824,673	938,168	8.47	61.86	315
Fall River	3,195,381	4,468,706	8.68	70.64	250
Falmouth	2,138,688	2,886,814	7.96	80.93	152
Fitchburg	1,827,771	2,010,472	8.6	66.44	280
Florida	36,269	37,190	9.63	46.66	347
Foxborough	1,454,956	1,801,471	6.7	107.36	37
Framingham	5,335,580	6,116,966	7.16	97.03	74
Franklin	2,269,972	2,830,061	6.78	107.46	36
Freetown	666,201	745,152	8.16	75.47	204
Gardner	1,132,026	1,259,247	7.63	78.60	167
Georgetown	600,691	656,918	7.46	83.62	140
Gill	86,020	97,743	8.6	62.42	309
Gloucester	1,913,059	2,088,098	8.13	76.02	198
Goshen	64,992	77,889	8.78	77.27	180
Gosnold	644	8,518	8.75	110.62	30
Grafton	1,141,425	1,181,586	7.33	80.80	153
Granby	488,974	361,378	8.51	54.96	339
Granville	92,955	125,083	10.11	66.36	281
Grt. Barrington	549,351	579,491	8.29	77.22	181
Greenfield	1,062,242	1,109,865	8.69	68.37	268
Groton	746,750	839,632	7.28	83.96	137
Groveland	400,086	473,976	7.54	79.06	163
Hadley	317,043	392,094	8.35	75.39	206
Halifax	464,300	531,502	7.9	73.83	223
Hamilton	595,598	673,847	7.54	84.90	132
Hampden	395,039	397,086	8.23	71.12	247
Hancock	54,633	48,382	8.49	60.33	323
Hanover	1,224,489	1,301,885	6.85	96.65	75
Hanson	685,615	752,364	8.34	77.09	183
Hardwick	151,027	151,953	9.17	58.15	329
Harvard	556,334	601,800	7.03	97.98	69
Harwich	963,768	1,012,960	8.12	70.79	249
Hatfield	360,005	454,221	8.3	108.17	34
Haverhill	3,225,228	3,771,922	7.66	76.98	186
Hawley	17,110	18,622	9.96	52.46	341
Heath	46,167	44,456	8.94	56.06	334
Hingham	1,994,010	2,552,098	6.82	119.32	14
Hinsdale	129,928	136,145	8.39	65.96	284
Holbrook	745,712	766,767	7.95	75.74	199
Holden	1,296,557	1,423,962	6.77	95.29	79
Holland	132,571	160,908	8.84	65.54	287
Holliston	1,187,001	1,341,617	7.09	97.33	72
Holyoke	1,387,669	1,746,965	9.78	64.36	299
Hopedale	504,603	448,344	7.43	79.17	162
Hopkinton	1,236,618	1,416,654	6.66	111.71	26
Hubbardston	237,869	324,068	8.07	80.98	151
Hudson	1,327,839	1,415,351	7.68	79.53	159
Hull	666,449	728,228	8.08	74.48	215
Huntington	132,738	142,026	9.38	62.29	310
Ipswich	1,044,580	1,297 541	7.58	88.50	107
Kingston	981,242	1,015,208	7.56	88.11	109
Lakeville	682,464	763,324	7.69	76.86	187
Lancaster	415,230	429,766	8.1	69.06	263
Lanesborough	229,432	262,198	8.13	77.53	177
Lawrence	2,010,789	2,113,174	9.83	52.78	340
Lee	380,844	546,745	7.95	90.34	98
Leicester	601,908	705,588	7.84	73.67	224
Lenox	377,182	519,254	7.7	95.00	80
Leominster	2,744,443	2,969,451	7.68	79.95	156
Leverett	112,182	116,141	8.81	61.03	318
Lexington	2,933,883	3,132,655	6.62	107.96	35
Leyden	43,553	32,033	9.11	41.39	350
Lincoln	619,676	670,964	6.81	98.54	68
Littleton	702,270	788,762	7.24	86.42	118
Longmeadow	1,526,379	1,845,897	6.89	120.42	12
Lowell	3,821,820	4,602,544	8.69	66.49	279
Ludlow	1,166,261	1,322,090	8.28	69.33	258
Lunenburg	694,975	830,866	7.92	79.24	161
Lynn	3,084,301	3,336,947	9.27	55.11	337
Lynnfield	1,337,325	1,496,728	6.8	121.64	10
Malden	3,328,272	3,189,848	7.82	81.61	148
Manchester	562,625	653,899	7.28	105.18	46
Mansfield	2,005,738	2,139,489	6.86	102.73	53
Marblehead	1,906,503	2,458,633	7.18	113.92	23
Marion	389,438	453,077	7.73	79.26	160
Marlborough	2,748,871	3,196,056	7.31	90.74	95
Marshfield	1,846,785	2,421,435	7.4	98.87	67
Mashpee	796,022	938,968	7.54	75.26	209
Mattapoisett	520,127	562,114	7.51	81.38	149
Maynard	678,985	768,923	7.75	76.39	192
Medfield	1,072,904	1,438,054	6.58	127.08	6
Medford	3,299,903	3,762,473	7.53	85.27	125
Medway	867,514	1,129,705	7.01	99.79	62
Melrose	1,843,538	2,020,090	7.2	88.83	105
Mendon	430,213	481,485	7.65	87.07	114
Merrimac	423,645	469,510	7.57	79.03	164

Municipality	97 actual	98 actual	Avg. age	Avg. bill	Rank in avg. bill
Methuen	2,228,165	2,822,635	7.74	72.32	235
Middleborough	1,093,550	1,299,563	8.26	68.04	270
Middlefield	23,454	33,385	9.09	56.78	331
Middleton	527,031	739,586	7.29	102.36	55
Milford	1,855,325	1,999,749	7.52	82.00	146
Millbury	885,182	962,435	7.59	77.06	184
Millis	622,457	770,428	7.4	95.67	78
Millville	187,430	194,478	8.49	68.53	267
Milton	2,032,397	2,348,728	7.15	101.06	58
Monroe	6,340	5,954	7.93	59.54	324
Monson	506,807	554,299	8.93	64.71	293
Montague	473,565	488,524	9.08	60.67	320
Monterey	79,793	83,915	8.5	76.56	189
Montgomery	62,648	68,046	9.24	75.36	207
Mt. Washington	11,570	16,693	10.78	71.95	237
Nahant	313,501	329,345	7.52	85.17	128
Nantucket	962,996	1,274,951	10.29	87.36	113
Natick	3,003,300	3,104,233	6.83	98.97	66
Needham	2,895,237	3,207,970	6.24	115.60	20
New Ashford	12,396	16,683	8.42	71.60	241
New Bedford	3,471,567	3,763,059	8.92	61.06	317
New Braintree	56,430	63,053	10	64.67	294
New Marlborough	98,793	138,470	9.57	78.14	171
New Salem	66,148	68,256	8.96	64.76	292
Newbury	569,691	639,816	7.43	85.22	127
Newburyport	1,141,707	1,587,339	7.12	92.00	88
Newton	8,654,331	8,443,117	6.53	111.53	28
Norfolk	778,902	945,912	6.87	107.29	38
N. Adams	651,283	712,711	8.57	64.50	297
N. Andover	2,319,264	2,780,440	6.66	111.63	27
N. Attleborough	1,930,412	2,157,916	7.29	86.01	122
N. Brookfield	267,730	293,428	8.54	66.33	283
N. Reading	1,185,328	1,433,646	7.28	101.35	56
Northampton	1,546,766	1,750,966	8.35	70.86	248
Northborough	1,396,675	1,743,450	6.85	121.34	11
Northbridge	867,087	931,592	7.81	73.31	226
Northfield	186,916	215,647	7.94	68.79	266
Norton	1,171,116	1,479,294	7.55	93.59	84
Norwell	993,854	1,193,157	7.08	111.31	29
Norwood	2,593,807	2,986,664	6.7	107.10	39
Oak Bluffs	300,991	351,908	11.08	64.23	300
Oakham	123,311	125,772	8.19	70.62	251
Orange	366,193	386,586	9.17	56.15	333
Orleans	642,551	673,592	8.64	74.67	210
Otis	94,966	114,574	9.23	60.94	319
Oxford	873,013	1,061,904	7.56	81.68	147
Palmer	727,343	831,988	8.89	66.81	277
Paxton	371,821	395,586	6.63	99.77	63
Peabody	3,840,437	3,928,279	7.34	87.74	111
Pelham	86,802	94,422	7.9	63.29	304
Pembroke	1,274,381	1,350,337	7.57	83.46	141
Pepperell	716,437	875,865	7.85	74.60	213
Peru	42,807	36,898	8.72	43.82	348
Petersham	69,334	91,283	8.24	73.97	221
Phillipston	93,889	117,020	8.68	71.79	239
Pittsfield	2,794,694	3,264,195	7.85	83.19	142
Plainfield	33,407	31,636	9.03	47.79	346
Plainville	590,424	671,013	7.12	88.45	108
Plymouth	3,188,966	3,134,213	7.55	65.21	288
Plympton	196,801	232,693	8.31	78.75	166
Princeton	311,694	349,280	7.58	89.90	100
Provincetown	235,790	368,285	9.5	84.04	136
Quincy	5,299,676	6,058,974	7.39	87.79	110
Randolph	2,345,534	2,460,352	7.44	89.01	104
Raynham	1,117,422	1,262,638	7.25	103.58	50
Reading	1,882,245	2,245,185	6.66	103.05	52
Rehoboth	761,951	898,143	8.54	78.41	169
Revere	2,141,869	2,543,997	7.8	76.06	197
Richmond	135,970	191,651	7.66	106.35	41
Rochester	345,159	393,163	8.4	76.08	196
Rockland	1,054,345	1,231,778	7.99	78.03	174
Rockport	530,110	595,470	7.76	77.32	179
Rowe	27,326	28,976	9.23	59.50	325
Rowley	372,385	428,401	7.88	71.58	242
Royalston	49,500	66,181	9.73	51.38	344
Russell	95,307	94,339	9.53	55.10	338
Rutland	419,936	522,243	7.27	85.75	123
Salem	2,145,383	2,439,213	8.13	76.99	185
Salisbury	610,829	634,680	8.34	75.29	208
Sandisfield	57,727	58,694	8.96	62.77	307
Sandwich	1,484,056	1,629,270	7.45	82.39	145
Saugus	1,922,706	2,091,418	7.46	84.96	131
Savoy	43,684	53,982	9.17	66.89	276
Scituate	1,519,612	1,654,828	7.33	91.49	93
Seekonk	1,164,750	1,268,863	7.82	84.98	129
Sharon	1,623,862	1,968,978	6.22	122.28	9
Sheffield	266,024	313,241	9.41	74.62	211
Shelburne	106,830	138,247	9.28	59.38	326
Sherborn	485,857	537,342	7.19	116.92	18
Shirley	312,202	409,349	7.7	73.89	222
Shrewsbury	2,560,266	3,078,215	6.62	103.17	51
Shutesbury	102,086	112,324	8.55	62.89	306
Somerset	1,108,878	1,287,042	7.74	75.51	203
Somerville	2,643,776	3,519,828	8.29	70.40	252
S. Hadley	1,048,457	1,207,608	7.74	78.33	170
Southampton	374,718	429,982	8.33	72.87	231
Southborough	1,069,092	1,249,607	6.57	129.76	4
Southbridge	858,974	1,028,924	8.39	76.68	188
Southwick	585,547	625,039	9.11	64.60	295
Spencer	765,193	832,035	8.01	74.43	217
Springfield	5,723,071	6,344,363	9.78	59.31	327
Sterling	597,976	733,001	7.31	91.39	94
Stockbridge	188,534	246,911	8.54	94.71	81
Stoneham	1,800,317	2,092,926	6.95	99.53	64
Stoughton	2,153,849	2,372,148	7.21	91.91	90
Stow	505,296	518,856	7.5	80.32	154
Sturbridge	656,804	703,341	7.07	86.79	115
Sudbury	1,758,786	2,005,784	6.52	117.79	16
Sunderland	195,234	260,118	8.17	74.15	218
Sutton	654,253	711,432	7.31	83.66	139
Swampscott	1,173,046	1,514,743	7.05	113.42	24
Swansea	982,551	1,164,438	8.34	71.53	243
Taunton	3,231,495	3,360,868	8.07	69.69	256
Templeton	453,225	453,719	8.19	66.61	278
Tewksbury	2,257,455	2,644,831	7.13	93.02	87
Tisbury	291,057	370,437	10.05	62.73	308
Tolland	24,467	25,508	9.99	52.06	342
Topsfield	601,125	575,054	7.17	86.71	116
Townsend	579,256	659,185	7.93	71.20	246
Truro	141,120	182,717	9.77	64.43	298
Tyngsborough	764,076	898,913	7.56	84.69	133
Tyringham	27,242	36,162	7.89	78.44	168
Upton	419,924	653,863	7.43	100.64	59
Uxbridge	730,995	844,972	7.86	73.11	229
Wakefield	2,102,214	2,329,480	7.05	96.61	76
Wales	107,278	128,136	9.21	67.48	274
Walpole	1,872,474	2,243,347	7.02	105.18	45
Waltham	3,851,036	4,494,758	7.48	88.67	106
Ware	566,555	553,065	8.96	61.97	313
Wareham	1,295,460	1,411,745	8.43	68.95	264
Warren	216,969	275,154	9.14	61.94	314
Warwick	36,318	43,373	8.6	52.01	343
Washington	37,221	45,805	8.37	73.17	228
Watertown	2,537,835	2,764,056	7.23	95.87	77
Wayland	1,338,146	1,574,844	6.74	115.76	19
Webster	1,047,533	1,119,738	8.11	77.59	175
Wellesley	3,016,942	3,120,428	6.39	119.19	15
Wellfleet	224,118	260,350	9.31	66.33	282
Wendell	43,225	40,156	10	38.80	351
Wenham	321,123	325,174	7.55	86.32	120
W. Boylston	601,533	620,432	7.24	93.35	85
W. Bridgewater	676,595	725,827	8.14	91.76	91
W. Brookfield	200,422	228,933	8.35	61.16	316
W. Newbury	331,322	394,335	7.43	91.75	92
W. Springfield	1,862,753	2,181,459	8.26	83.71	138
W. Stockbridge	120,067	132,676	8.32	77.41	178
W. Tisbury	142,222	184,433	11.04	55.27	335
Westborough	1,847,576	2,064,189	6.37	114.93	21
Westfield	2,174,729	2,663,671	8.36	76.27	193
Westford	1,707,363	2,082,188	6.72	102.68	54
Westhampton	107,466	108,314	8.62	69.21	259
Westminster	568,070	583,044	7.69	78.08	173
Weston	1,485,217	1,732,233	6.48	139.02	1
Westport	1,024,104	1,158,347	8.51	69.51	257
Westwood	1,496,775	1,778,858	6.42	125.76	7
Weymouth	3,831,931	4,207,721	7.58	85.27	126
Whately	109,090	123,101	9.2	68.24	269
Whitman	785,649	854,555	8.07	69.21	260
Wilbraham	1,082,359	1,272,711	7.35	93.31	86
Williamsburg	149,299	175,295	8.84	60.57	322
Williamstown	439,278	468,592	7.65	75.63	201
Wilmington	1,869,441	2,190,582	7.03	100.60	60
Winchendon	541,479	581,829	8.27	68.80	265
Winchester	1,965,590	2,254,221	6.91	110.52	31
Windsor	62,980	78,479	8.21	78.09	172
Winthrop	754,336	1,169,274	7.87	84.07	135
Woburn	3,967,532	3,816,891	7.29	99.18	65
Worcester	8,482,507	10,841,237	7.91	89.59	101
Worthington	72,590	106,650	8.67	76.51	190
Wrentham	866,340	883,664	7.51	87.39	112
Yarmouth	1,659,846	1,840,633	8.24	72.00	236
Statewide total	**413,193,978**	**469,266,235**	**7.7**	**85.43**	

Table 1

Motor Vehicle Excise
➡ *continued from page three*

city with one of the lowest median household incomes in the state (rank 343), it has a large number of rental car agencies with new cars due to its proximity to Logan Airport. The other four communities with high average bills are among the 15 communities with the newest cars. The communities with the lowest average bills are Wendell ($38.80), Leyden ($41.39), Aquinnah ($42.27), Peru ($43.82) and Florida ($46.66). All are small towns with less than 1,000 population where the average vehicle age falls in the oldest 20 percent. Average bills for FY1998 have been calculated by dividing the total MVE collected by each community by the number of bills committed to that community by the Registry.

The communities with the oldest vehicles tend to be located on the island of Martha's Vineyard. Aquinnah (11.73 years), Chilmark (11.61 years), Oak Bluffs (11.08 years), and West Tisbury (11.04 years) are all on the Vineyard, where summer residents often leave an old car to avoid the hassle of bringing a vehicle on the ferry yet have transportation available while on the island. Also, many of the year-round residents are lower income families because of the seasonal nature of employment. Mount Washington ranks fifth on average age of vehicles at 10.78 years. Located on a mountain in Berkshire County with one of the smallest populations in the state, more than 35 percent of its vehicles are trucks. The communities with the newest vehicles are "commuter communities" located along Routes 128 and 495. Sharon (6.22 years), Needham (6.24 years), Westboro (6.37 years), Canton (6.38 years) and Acton (6.38 years) are the top five towns.

Statewide, MVE collections represent 3.7 percent of the total local budgets. Locally, the percentage of the total budget varies from a high of 9.5 percent in the town of Cheshire to a low of 1.09 percent in the town of Gosnold. The five communities with the highest percentage of the total budget coming from MVE are Cheshire (9.5 percent), Upton (8.92 percent), Raynham (8.85 percent), Hubbardston (8.65 percent) and East Brookfield (8.45 percent). These communities all belong to regional school districts. State monies for education are paid directly to the school district, making it appear that the towns receive little state aid and therefore rely more heavily on other sources of revenue such as MVE. The communities that rely the least on MVE are Gosnold (1.09 percent), Rowe (1.1 percent), Aquinnah (1.19 percent), Monroe (1.28 percent) and Lawrence (1.37 percent). The first four communities are small towns of less than 1,000 population with very high equalized valuations (EQV) per capita. When ranked on EQV per capita, Gosnold is two, Rowe is five, Gay Head is three and Monroe is fifteen. Lawrence is a lower income city with a large population, ranking 351 on median income, which receives 68 percent of its budget from state aid. ■

written by Jean McCarthy
data provided by Dora Brown and Medi Ba

Protecting the Community's Interest
➡ *continued from page one*

instrument must include a description of the property, the name of the assessed owner or owners, and the taxes and charges for which the property was taken.

Perfecting the lien through a tax taking creates a tax title, the enforcement of which becomes the responsibility of the treasurer. Except in cases of abandoned property or land of low value (low value meaning worth no more than $5,000), a treasurer must wait six months after the taking before beginning proceedings to foreclose the tax title. A petition to foreclose a tax title must be filed in the Land Court, which appoints a title examiner to determine the identity of all interested parties in the property. Those parties are notified of the proceedings and given an opportunity to redeem the property or otherwise respond to the petition. Many treasurers and their office staff handle tax title foreclosures without the assistance of an attorney in cases where no interested party contests the foreclosure.

If the tax title is not redeemed or successfully challenged, the Land Court will issue a decree foreclosing the right to redeem the property. A party with an interest in the property who receives notice of the foreclosure has one year in which to bring a petition to void the foreclosure decree. If the municipality does not oppose the petition to void the decree, it should at least request the Land Court to require that the taxpayer pay the additional taxes that would have been assessed for subsequent years, together with interest and any betterments or special assessments that had not been added to the tax title at the time of foreclosure. If the property is foreclosed, the community can then sell the property and recover the unpaid taxes. ■

DLS UPDATE

Land Valuation Contracts Awarded

The fiscal year 2000 state-owned land (SOL) valuation program is underway. After a competitive bidding process, DOR selected three professional appraisal firms to assist its Bureau of Local Assessment (BLA) appraisal staff in estimating the new values. These new values will be the basis of municipal payments in lieu of tax for certain state-owned lands for the next five years. The new values will be reflected for the first time on the 2001 Cherry Sheets. The Metropolitan District Commission will make direct payments to communities with watershed land, and they too will be effective in 2001. The chosen vendors are:

- *The Appraisal Corporation* of Quincy for properties in northeast, southeast and south central areas;
- *T.H. Reenstierna & Son Real Estate Appraisers & Consultants* of Arlington for properties in north central region; and
- *O'Connor Real Estate Associates, Inc.* of Westfield, for properties in Western Massachusetts, both north and south regions.

Because these companies are providing appraisal services to BLA under contract, they are authorized to obtain information on its behalf for this project. Either vendor representatives or BLA staff may get in touch with your municipality for this process. Beginning in September, and through next spring, they will schedule appointments to obtain relevant information including, for example, zoning, predominant land use, base unit values in the area of state-owned property, building activity and sales data. Even if it has no state-owned land, a community may be contacted because data from comparable communities will be needed for analysis. BLA has given each appraisal company a letter of introduction for its employees. Should there be any question about the authority of a vendor representative, please call either Edward Smith at (617) 626-3626 or George Obuchon at (617) 626-3605 at BLA. Your cooperation providing the requested information is appreciated.

The BLA schedule for state-owned land valuation as well as the statutory deadlines are as follows:[1]

SOL Timetable

- Valuation date: January 1, 2000
- BLA data collection and site visits: September 1999–April 2000
- BLA notifies assessors of new values: on or before June 10, 2000
- Assessors provide documentation to BLA for correction: month of June 2000
- Assessors file with Appellate Tax Board for correction: within 30 days after BLA notification
- Appellate Tax Board makes a finding: no later than August 5, 2000

1. M.G.L. Ch.5 8 §§13–17B; Ch.59, §5G.

Distribution of Additional Lottery Aid

The Division of Local Services (DLS) has announced the distribution of $85.5 million in additional lottery aid, approved in a supplemental budget bill for FY1999, Chapter 68 of the Acts of 1999. On September 9, 1999, DLS sent letters to local communities informing them of the amount of additional lottery aid that they would receive. Additional lottery receipts may be used as estimated receipts when setting the FY2000 tax rate, as available funds during FY2000 (once they are received), or the money can be allowed to close to fund balance at the end of FY2000, thereby becoming free cash.

It is important to note that these additional lottery receipts will not be reflected on the FY2000 Cherry Sheet, once the state budget is finalized, because they are in addition to those receipts.

Sturbridge First to Set Tax Rate

The Town of Sturbridge is the first community with semi annual tax billing to set its FY2000 tax rate. Director of Accounts James R. Johnson sent a letter to the town thanking the board of assessors and the other local officials involved for their cooperation and assistance in the tax rate setting process. Sturbridge's tax rate was approved on September 3, 1999. ■

Municipal Fiscal Calendar

November 1

Taxpayer: *Semi-annual tax bill — deadline for first payment.*

Taxpayer: *Semi-annual tax bills — application deadline for property tax abatement.*

Taxpayer: *Quarterly tax bills — deadline of 2nd quarterly tax bill without interest.*

Treasurer: *Deadline for payment of first half of county tax.*

November 15

Treasurer: *First quarter reconciliation of cash (due 45 days after end of quarter).*

November 30

Selectmen: *Review budgets submitted by department heads.*

Employment Opportunity

Deputy Bureau Chief — The Bureau of Local Assessment is seeking a Deputy Chief to direct real and personal property appraisal programs and manage appraisal staff statewide. Applicants should have seven to 10 years' experience in property appraisal, mass appraisal and property tax administration. A bachelor's degree is required and a master's is preferred. Applicants should have demonstrated ability in management, communication, writing, teaching, mass appraisal, (including computerized) statistical analysis and commercial appraisal. The ideal candidate has a designation, e.g., CAE or MAI and knowledge of Massachusetts' assessment administration and law. Travel is required. Send resumes to Marilyn H. Browne at the *City & Town* address below, by fax to (617) 626-2330, or e-mail to Marilyn.Browne@state.ma.us. ■

Data Bank Highlight

The Municipal Data Bank has several reports including motor vehicle information. The Registry of Motor Vehicles provides the Data Bank with a listing of the number of registered vehicles in each community. The list identifies the type (car, light truck, etc.) and average age of the vehicles. The Data Bank also has reports that show trends in Motor Vehicle Excise Receipts back to FY81. The Actual vs. Estimated Receipts report, which is available on the website, shows trends in actual collections compared to budget estimates for Motor Vehicle Excise as well as other local receipt categories.

To obtain Municipal Data Bank information contact Dora Brown or Debbie DePerri at (617) 626-2300. For technical assistance contact Burt Lewis at (617) 626-2358. The World Wide Web address is listed below. ■

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS website at **www.state.ma.us/dls** or by writing to PO Box 9490, Boston, MA 02205-9490.

Marilyn H. Browne, Managing Editor

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Frederick A. Laskey, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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Why Become a City?

written by Jean McCarthy

Although it will officially continue to call itself a town, Weymouth has adopted a city form of government. It becomes the 48th Massachusetts community to change its government structure to that of a city. Of the remaining 303 towns, 41 have moved to representative town meeting and 262 retain the open town meeting form of government. Interestingly, Weymouth is not the only Massachusetts community to adopt a city form of government, with a mayor or manager and a council, yet continue to call itself a town. Amesbury, Barnstable, Easthampton, Franklin, Greenfield, Methuen, Southbridge and Watertown also fall into that category.

The original state constitution contained no mechanism for changing the form of local government. After a Constitutional Convention in 1820 authorized the General Court to create city governments in towns with populations over 12,000, Boston became the first city in 1822.[1] The movement to city government paralleled the Industrial Revolution with 30 towns becoming cities between 1822 and 1900. Seven additional towns became cities between 1900 and 1923. Although no new cities came into existence between Gardner in 1923 and Watertown in 1980, 10 additional towns have adopted the city form of government since 1980. Massachusetts law still provides that no town with a population of less than 12,000 may adopt a city form of government and no town with a population of less than 6,000 may adopt a representative town meeting form of government.

Reasons for communities' changing their governments to the city form relate to a number of factors including population, population density, and the percentage of the total property value that is in the commercial and industrial classes. The process of changing from open town meeting to an increasingly representative form of government has been a process of adaptation to meet changing conditions, especially population growth. The median population for communities retaining the open town meeting is 6,295. For communities adopting representative town meeting, the median is 25,900, and for cities, the median is 41,826. We have used the 1998 estimated census information for population figures. Communities that have open town meetings range from Andover, with a population of 31,424, to Gosnold, with a population of 97. The communities with representative town meetings range from Framingham, with a population of 64,646, to Lee, with a population of only 5,657. The population range for cities is from the high of Boston at 555,447 to North Adams with only 15,496 people. Clearly, population is not the only criteria for making a change. Andover, above the median for towns with representative town meeting, has retained open town meetings. Lee, below the median population for communities with open town meeting, has adopted a representative form of government. North Adams, well below the median for towns with representative town meeting, is a city. Framingham, well above the median population for cities, has chosen to retain a representative town meeting style of government.

Communities choose to become cities for a variety of reasons.

Population density is related to the form of government chosen, but again there are exceptions. The median density for towns with open town meetings is 283 people per square mile.[2] For towns with representative town meeting the median is 1,730; for cities, it is 2,819. When arrayed by density, 27 of the top 50 communities are cities. Somerville is the city with the densest population at 18,855 people per square mile. The Town of Mount Washington has the lowest density with six people per square mile. Included in the top 50 communities are 15 towns with representative town meetings and eight towns with open town meetings. The towns with dense populations that still manage to operate with open town meetings are Marblehead, Hull, Stoneham, Nahant, Wakefield, Somerset, Clinton and Whitman. Seventeen cities have densities below the median for communities with representative town meetings. There are two communities with densities less than the median for open town meet-

continued on page six ➡

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LEGAL

in Our Opinion

Special Permit — Final Action

The Supreme Judicial Court in June 1999 ruled on what constitutes final action by a special permit granting authority. The decision is *Board of Aldermen of Newton v. Maniace.*[1]

In December 1995 the petitioners filed an application with the city clerk for a special permit and site plan approval in order to build a Stop & Shop supermarket in Newton. The Newton Board of Aldermen (Board), acting as the city's special permit granting authority, initially held a public hearing in February of 1996. The Board's land use committee then held numerous sessions to debate the merits of the application. The parties agreed to give the Board an extension through September 4, 1996 to render a decision. The city's planning department recommended denial of the application. The land use committee recommended favorable action, and at an August 12, 1996 meeting, the Board voted on a motion to approve the application. Fourteen members voted in favor and nine members opposed the application. The application, however, was deemed denied since a two-thirds majority was required to approve a special permit.[2]

On August 13, 1996 the Board filed the result of the vote with the city clerk. Although this document contained the language "failed to carry" and gave the vote, surprisingly, it included only the land use committee's reasons in favor of the application which did not support the Board's decision. The petitioners timely notified the city clerk that the Board did not provide reasons for the denial as required and, consequently, their application had been constructively approved.[3] In response, the Board appealed to the Land Court.[4]

The Land Court judge, relying on *Shea v. Aldermen of Chicopee,* held that the permit had been constructively granted because no reasons for the denial were included.[5] On appeal, the Appeals Court agreed with the judge in Land Court. On further appeal, the dispute came before the Supreme Judicial Court. At issue was whether the document filed by the Board, which gave the vote of each member but did not include reasons supporting the denial of the application, constituted final action under the law.[6]

The state's highest court ruled that the permit was not constructively approved since the Board had complied with the statutory requirements. M.G.L. Ch.40A § 9 requires the special permit granting authority to make its decision within 90 days following the public hearing, unless extended by written agreement. The statute recites that failure to take "final action" within 90 days or such agreed extended time shall be deemed a grant of the special permit. In the court's view, the statute did not require the special permit granting authority to give reasons for its decision at the time the decision was filed. According to the court, the legislative intent in enacting the statute was to compel the special permit granting authority to act promptly, and to give notice to interested parties that the appeal period had started, by filing its decision with the city or town clerk. The court effectively abrogated the earlier Appeals Court decision in *Shea* which favored the petitioners in the Newton case. In the court's view, the constructive grant of a special permit was a severe penalty which could be averted merely by filing the result of the vote with the city or town clerk.

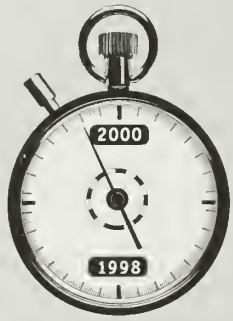
The Supreme Judicial Court recognized that the law also imposes a duty on a special permit granting authority to make "a detailed record of its proceedings," including the vote of each member and the reasons for its decision. In the Court's view, the statute does not require the special permit granting authority to file the reasons for its decision at the same time as the vote was reported. According to the Court, two documents could be employed since the statute merely states that copies of the detailed record must be filed in the office of the city or town clerk within 14 days of the vote. Ruling in favor of the City of Newton, the Court held that there was no constructive approval of the special permit since the Board had timely notified all parties of its decision.

The Court's decision was not unanimous. Three justices dissented since they interpreted M.G.L. Ch.40A § 9 as requiring the special permit granting authority to provide reasons contemporaneously with its decision. According to the dissent, the Court's ruling in *Maniace* would lead to more delay in resolving such disputes. ■

written by James Crowley

1. 429 Mass. 726 (1999).
2. M.G.L. Ch.40A § 9.
3. M.G.L. Ch.40A § 9.
4. M.G.L. Ch.40A § 17.
5. 13 Mass. App. Ct. 1046 (1982).
6. M.G.L. Ch.40A § 9

Countdown to Y2K



Focus on Municipal Finance

Create Your Own Custom Reports

Local officials can now easily compare their communities to other similar communities by average tax bills, expenditures by category, and other socioeconomic, financial and property tax related criteria. The Community Report Builder that allows web users to build their own reports was added to the DLS website at the end of September.

The Community Report Builder allows web users to select comparable communities to include in reports by a number of different criteria. Socioeconomic criteria include population, per capita income, labor force, school district structure, and unemployment rate. Other criteria include the amount of state aid, tax rates and/or tax levies by class, assessed values of property, revenues, expenditures and bond ratings. Revenues and expenditures can be broken down by classification, allowing a comparison of spending for public safety, for example. *Figure 1* shows the entire list of selection criteria.

Generating Reports

The Community Report Builder can generate either *At-A-Glance Reports* for individual cities and towns or a *Community Comparison Report* including selected municipalities. *At-A-Glance Reports* are summaries of key socioeconomic, financial and property tax data by community. The Municipal Data Bank has produced these reports for several years and made them available through the DLS website. Community Comparison Reports are new. They are summaries of socioeconomic, financial or property tax information for multiple communities. The types of Community Comparison Reports currently available are:

- Socioeconomic
- Tax Rates
- FY99 Cherry Sheets
- Revenue Sources
- Proposition 2½ Levy Capacity
- Actual Revenues by Fund
- Actual Expenditures by Fund
- Reserves
- Average Single Family Tax Bill

Additional types of comparison reports will be added in the coming months.

Using the Report Builder

The following is an example of how to create a customized *Community Comparison Report*. Let's assume that your community has a population of about 26,500 and you want to produce a report comparing the average single-family tax bill in your community with those of similarly-sized communities. To do this, Step #1 in the Community Report Builder asks you to select either *At-A-Glance* or *Community Comparison Reports*. Step #2 asks you to choose the type of report (socioeconomic, tax rates, etc.). Select the "Average Tax Bill" report. Then Step #3, as shown in *Figure 1*, asks you to select the criteria for the comparison. Since you are interested in comparing the tax burden in communities with populations similar to yours, you select a population range between 25,000 and 28,000. *Figure 2* shows a list of the 14 cities and towns with a population between 25,000 and 28,000. You can then choose to include all 14 communities or a subset of them in your final report. The final step is to click on the "SUBMIT" report button to generate the comparative average tax bill report shown in *Figure 3*.

Whenever comparisons are made between communities, they usually show a surprising amount of variability between communities that are similar in one or two ways. The examples used here are no exceptions. *Figure 3* shows a copy of the report on average single family tax bill with the total number of single family parcels and the total assessed value of single family parcels for 13 of the 14 cities and towns in the selected population group. Chelsea's information was not included since it has a residential exemption which allows some portion of the tax levy to be shifted from owner-occupied homes to non-owner occupied properties making an accurate calculation of average bill impossible. Average single family tax bills for these communities vary from a low of $1,885 in Agawam to a high of $4,866 in Wellesley.

Figure 4 shows the Revenue Sources report for these same communities indicating both the amount raised by each major revenue source (tax levy, state aid, local receipts, and other) and its percentage of the total amount of revenue raised. Chelsea is the least dependent on the tax levy for raising revenue, with only 22.4 percent of the total raised through property taxes. Wellesley is the most dependent with 72.6 percent. Chelsea depends on state aid for 60.3 percent of total revenues. Needham, with only 8.5 percent, is the least dependent on state aid.

The Actual Expenditures by Fund report shows expenditures for police, fire, education, public works, and all other, as well as total expenditures, for each of the communities selected. *Figure 5* shows the Education Expenditures for the same 14 communities. It shows that educational expenditures vary considerably.

Local officials can now analyze their own communities in comparison with other cities and towns using their own

continued on page six ➡

Community Comparison Reports — Municipal Data Bank

Community Report Builder

STEP #3 - Choose Criteria

Report Type = Community Comparison Reports
Report Category = Socioeconomic

Choose A. or B. from below

A. To select specific communities Continue

B. To specify demographic or financial criteria for selecting communities complete one of the selections below

1996 Population	From: 25000	To: 28000	Run_Report
1989 Per Capita Income (Statewide Average is 17,224)	From:	To:	Run_Report
1998 EQV Per Capita (Statewide Average is 66,996)	From:	To:	Run_Report
Moody's Bond Rating (As of 7/15/99)	A		Run_Report
Kind of Community	Urbanized Center		Run_Report
School District Structure	K-12, member of vocational regional		Run_Report
County	Barnstable		Run_Report
1996 Labor Force	From:	To:	Run_Report
Population Per Square Mile	From:	To:	Run_Report
1996 Unemployment Rate	From:	To:	Run_Report
FY99 Cherry Sheet State Aid	Category: Education Aid	From:	To: Run_Report

Tax Rate Information

Tax Rate by Class	Classification: Residential	From:	To: Run_Report
Tax Levy by Class	Classification: Residential	From:	To: Run_Report
Assessed Values by Class	Classification: Residential	From:	To: Run_Report

Actual Revenues and Expenditures

Total Revenues	Classification: General Fund	From:	To: Run_Report
Expenditures: Total	Classification: General Fund	From:	To: Run_Report

Figure 1

Data Bank Searc

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- WEST

Figure 2

Comm

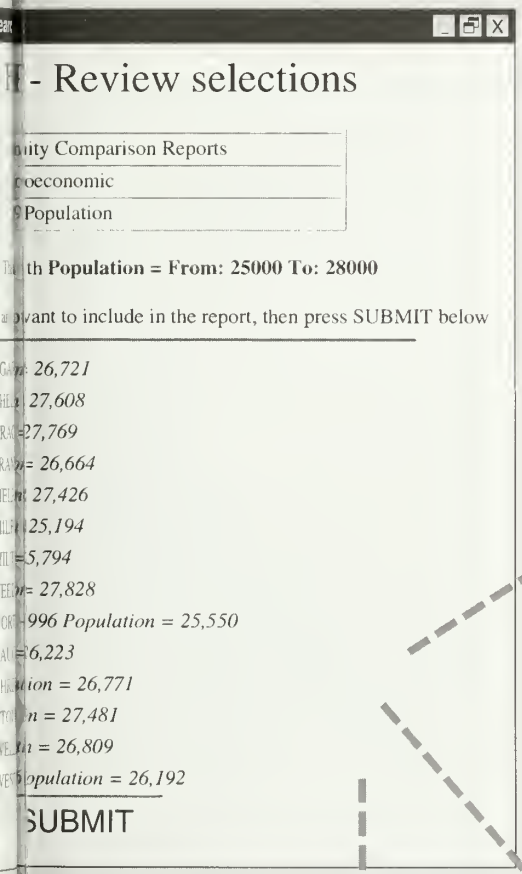
Com

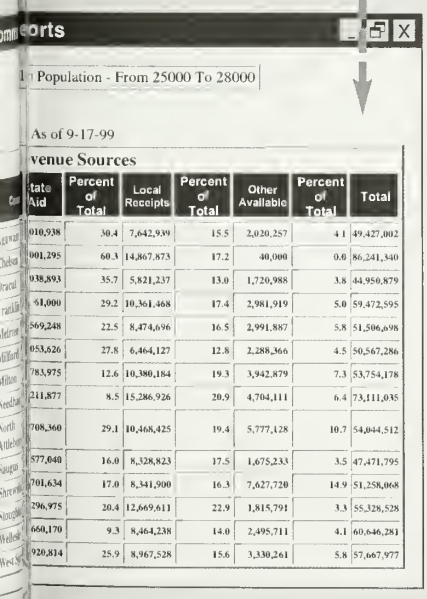
Agawam
Chelsea
Dracut
Franklin
Melrose
Milford
Milton
Needhan
North Attlehor
Saugus
Shrewsb
Stoughto
Wellesle
West Sp

Figure

Community Comparison Reports

The Community Report Builder can be used to generate various reports to compare multiple communities based on specific criteria. The example below illustrates the last two steps in the report building process, and three of the types of reports available. To create Community Comparison Reports, visit the Division of Local Services' website at www.state.ma.us/dls.





State Aid	Percent of Total	Local Receipts	Percent of Total	Other Available	Percent of Total	Total
010,938	30.4	7,642,939	15.5	2,020,257	4.1	49,427,002
001,295	60.3	14,867,873	17.2	40,000	0.0	86,241,340
038,893	35.7	5,821,237	13.0	1,720,988	3.8	44,950,879
61,000	29.2	10,361,468	17.4	2,981,919	5.0	59,472,595
569,248	22.5	8,474,696	16.5	2,991,887	5.8	51,506,698
053,626	27.8	6,464,127	12.8	2,288,366	4.5	50,567,286
783,975	12.6	10,380,184	19.3	3,942,879	7.3	53,754,178
241,877	8.5	15,286,926	20.9	4,704,111	6.4	73,111,035
708,360	29.1	10,468,425	19.4	5,777,128	10.7	54,044,512
577,040	16.0	8,328,823	17.5	1,675,233	3.5	47,471,795
701,634	17.0	8,341,900	16.3	7,627,720	14.9	51,258,068
296,975	20.4	12,669,611	22.9	1,815,791	3.3	55,328,528
660,170	9.3	8,464,238	14.0	2,495,711	4.1	60,646,281
920,814	25.9	8,967,528	15.6	3,330,261	5.8	57,667,977

Community Comparison Reports

Report Criteria: 1996 Population - From 25000 To 28000

As of 9-17-99

Average Tax Bills

Communities with Residential Exemptions will not contain Average Tax Bill information

Community	FY	Number of Single Family Parcels	Assessed Value of Single Family	Average Single Family Tax Bill
Agawam	99	7,250	860,275,630	1,885
Chelsea	99			
Dracut	99	6,756	903,383,100	2,272
Franklin	99	7,017	1,368,422,600	2,715
Melrose	99	6,292	1,242,038,400	3,103
Milford	99	5,295	783,201,800	2,449
Milton	99	7,003	1,473,516,650	3,853
Needham	99	8,239	2,510,107,900	3,924
North Attleborough	99	5,752	879,026,600	2,217
Saugus	99	6,813	1,157,103,900	2,006
Shrewsbury	99	7,952	1,340,116,000	2,267
Stoughton	99	6,272	961,517,650	2,523
Wellesley	99	7,204	3,555,392,000	4,866
West Springfield	99	6,191	744,315,100	2,121

Figure 3

Community Comparison Reports

Report Criteria: 1996 Population - From 25000 To 28000

As of 9-17-99

Actual Expenditures by Fund

Education

Community	FY	General Fund	Special Revenue	Capital Projects	Enterprise Fund	Trust Revenue	Total All Funds
Agawam	98	22,776,225	2,084,764	14,961,119			39,822,108
Chelsea	98	32,516,923	6,900,020	365,550			39,782,493
Dracut	98	20,778,277	1,937,145	957,562			23,672,984
Franklin	98	29,293,820	1,624,363	566,425			31,484,608
Melrose	97	18,548,203	1,624,029				20,172,232
Milford	98	23,763,731	3,281,154	531,863			27,576,748
Milton	98	20,430,428	1,391,693				21,822,121
Needham	98	24,475,250	3,056,108	5,661,037			33,192,395
North Attleborough	98	20,871,047	1,489,934	13,978,828			36,339,809
Saugus	98	18,811,473	1,551,840	222,643			20,585,956
Shrewsbury	98	22,354,542	2,166,245	1,613,514			26,134,301
Stoughton	98	24,302,044	2,014,670	448,748			26,765,462
Wellesley	98	29,073,984	2,356,110	295,398			31,725,492
West Springfield	98	20,649,775	2,725,413				23,375,188

Figure 5

Create Your Own Custom Reports
➡ *continued from page three*

criteria. Searches can be defined and refined as needed. This article has demonstrated a few of the possible reports. The reports can be used in conjunction with information available through the Property Tax spreadsheets accessed from the Municipal Data Bank home page on the web. The new Community Report Builder will be an invaluable asset in analyzing financial data and in reviewing revenues and expenditures.

How to Access the Community Report Builder

The Community Report Builder can be accessed directly from the Division of Local Services home page (www.state.ma.us/dls) by clicking on the highlighted text under "What's New" or in the Municipal Data Management/Technical Assistance Bureau section. It can also be accessed directly from the Municipal Data Bank home page (www.state.ma.us/dls/mdm).

This is the first of several enhancements planned for the next several months. DLS will be adding more types of reports, as well as more criteria for selecting comparable communities. We are working on adding definitions for terms and links to related articles in *City & Town*. Finally, we will add historical data to the reports. Historical data currently is available through the Municipal Spreadsheet Database on the Municipal Data Bank home page. ■

prepared by the Municipal Data Bank staff

Why Become a City?
➡ *continued from page one*

ings that have elected representative town meetings: Montague and Lee.

Having a strong business component also seems to be associated with a more representative form of government. The information on the percentage of commercial and industrial property is information for FY1999, taken from information on property valuations by class submitted to the Bureau of Local Assessment. Northbridge is the median community with 15 percent of all of its value in the commercial and industrial classes. All but four of the cities are above the median. The four that fall below the median are Weymouth (14.3 percent), Gloucester (12.6 percent), Newton (12.3 percent) and Melrose (7.2 percent). The five communities with the highest percentage of commercial and industrial property, however, are all towns with open town meetings: Rowe (83.1 percent), Erving (78.2 percent), Monroe (73.1 percent), Florida (54.3 percent) and Ayer (54.1 percent).

Clearly, communities choose to become cities for a variety of reasons. After a lull of almost 60 years, the difficulties of managing municipal government with volunteers and attracting sufficient voters to form a quorum for town meetings have spawned a number of recent changes in local government. Many families with both parents working, struggling to manage their time, do not participate in local government. We will watch to see if more communities choose a representative form of government as we enter the next century. ■

data provided by Michael Maguire

1. Donald Levitan with Elwyn Mariner, Your Massachusetts Government (Newton, MA.: Government Research Publications, 1984) 144.
2. 1998 estimated population.

School System Audits Available

Audit reports on the communities of Gardner, New Bedford, North Reading and Salem have been added to the DLS website since our last update. The audits, completed by DLS's Bureau of Education Audit under the direction of the Education Management Accountability Board (EMAB), monitor how selected districts have progressed under the Education Reform Act of 1993. They include but are not limited to the following areas: school finances, staffing, test scores, time and learning standards, and school improvement and technology plans.

In addition to the communities listed above, audit reports on Braintree, Brockton, Lexington, Lowell, Malden, Triton Regional and Worcester School Districts can be found on the DLS website. Field work is complete in East Longmeadow, Everett, Milton and Woburn, and those reports will be available on our website as soon as the EMAB votes to accept the reports. Auditors are currently working in Agawam, Auburn, Cambridge and North Attleborough.

Complete copies of the reports may be accessed by clicking on *Information from the Bureau of Education Audit*. To view the information contained in the reports one must have the *free Adobe Acrobat Reader* which can be downloaded by clicking the icon for Adobe Acrobat. ■

DLS UPDATE

DLS Wins Award

Governor Paul Cellucci has awarded a "Pride in Performance" award to the Division of Local Services' (DLS) cross-agency effort to prepare local communities to meet the Y2K challenge.

The award recognizes state employees for their dedication to public service. Under the leadership of David Davies, the DLS Y2K team includes Linda Bradley, John DiOrio, Evelyn Hyde, Lisa Juszkiewicz, Arnold Kanter, Kathy Krawcyk, Don Reynolds and Kirsten Shirer.

DLS teamed up with the Massachusetts Information Technology Division to design and implement its Y2K Local Outreach Program. The program provides Y2K compliance assistance to communities that lacked appropriate resources and technical staff. DLS staff performs on-site analysis and planning assistance to communities with populations of less than 20,000. The analysis includes inventorying hardware, software and embedded devices; assessing non-compliant systems; initiating vendor management programs; recommending remediation and replacement programs; and developing community contingency plans.

Interim Year Adjustments

There is a myth that assessors are required to submit reams of documentation to the Bureau of Local Assessment (BLA) before it will approve a community's interim year valuation adjustments. This is untrue: A one-page, one-sided form entitled *Adjustment of Valuations Between Certifications* is the sole requirement. Furthermore, that form is only necessary when adjustments, excluding new growth, equal more than 10 percent of total valuation.

Assessors are responsible for developing full and fair cash property values (FFCV) for recertification purposes once every three years. On the other hand, they are also responsible for FFCV every year as of January 1. Assessors adjust values annually due to changes in the real estate market, new construction, alterations, demolitions, etc. These adjustments ensure that taxpayers pay only their fair share of the tax levy.

When making valuation adjustments in the years between certification, assessors do an analysis of the local real estate market. BLA recommends using the same standards as in a certification year, namely:

1. Residential properties

- Assessment/sales ratio (ASR) median between 90 and 100 percent;
- Coefficient of dispersion (COD), 10 percent or less for single-family homes and condominiums; 12 percent or less for apartments; 20 percent or less for land. (See *Guidelines for Development of a Minimum Reassessment Program* for more assessment level and uniformity tests.)

2. Commercial and industrial properties

- Conduct analyses to determine whether capitalization rates, rent schedules, vacancy rates, land values, cost calibration, depreciation tables, etc., need adjustment.

After completion of the analysis, assessors determine whether there is a need to adjust some or all classes of property. If the change in total assessed values is greater than 10 percent, they send the one page form to BLA. That form includes a statement with the reasons the assessors made the interim changes. It reads: "we ... agree that in our judgement the valuation adjustments result in fair and equitable assessments both within and between all classes of property and that sufficient documentation has been developed to support all valuation adjustments."

BLA encourages interim year valuation adjustments and, while the reporting requirement is minimal, its mission is to verify that a thorough analysis of all taxable properties was completed.

Change in the Hampshire County Assessments

The cities and towns in Hampshire County have a revised amortization schedule for repayment of legislative appropriations needed to pay creditors at the time their county government was abolished. Chapter 300 of the Acts of 1998 dissolved the government of Hampshire County as of January 1, 1999. That Act provided that the state's money would be recovered by annually assessing an amount, not exceeding the county tax shown on the Cherry Sheet for FY1999, to each of the communities comprising Hampshire County. The Secretary of Administration and Finance filed an amortization schedule with the Clerks of the House and Senate earlier this year, as required by the Act. The Secretary has now filed a revised schedule that reflects the final appropriation to pay off the county's creditors, provided by Chapter 68 of the Acts of 1999. The new schedule reduces the annual payment to 34 percent of the county tax shown on the FY99 Cherry Sheet, but extends the amortization period to the year 2024. The Division of Local Services recently sent a Bulletin to the 20 cities and towns affected, advising them of the changes. ■

Municipal Fiscal Calendar

December 15
Taxpayer: *Deadline for applying for property tax exemptions for persons.*

Accountant/Superintendent/School Committee: *Submit amendments to end of school year report to DOE.*

December 31
State Treasurer: *Notification of quarterly local aid payments on or before December 31.*

Taxpayer: *Deadline for filing application for abatement of motor vehicle excise for prior calendar year.*

Water/Sewer Commissioners: *Deadline for betterments to be included on next year's tax bill (MGL Ch. 80, Sec. 13; Ch. 40, Sec. 42I and Ch. 83, Sec. 27).*

Selectmen: *Begin to finalize budget recommendation for review by finance committee.*

Assessors: *Mail 3-ABC forms to all eligible non-profit organizations.*

Collector: *Deadline for mailing third quarterly tax bill.*

Employment Opportunity

Deputy Bureau Chief — The Bureau of Local Assessment is seeking a Deputy Chief to direct real and personal property appraisal programs and manage appraisal staff statewide. Applicants should have seven to 10 years' experience in property appraisal, mass appraisal and property tax administration. A bachelor's degree is required and a master's is preferred. Applicants should have demonstrated ability in management, communication, writing, teaching, mass appraisal, (including computerized) statistical analysis and commercial appraisal. The ideal candidate has a designation, e.g., CAE or MAI and knowledge of Massachusetts' assessment administration and law. Travel is required. Send resumes to Marilyn H. Browne at the *City & Town* address below, by fax to (617) 626-2330, or e-mail to Marilyn.Browne@state.ma.us. ■

Data Bank Highlight

The Municipal Data Bank is a primary source of financial and demographic information on Massachusetts' cities and towns. The primary data come from the annual financial (Schedule A), tax rate, budget and assessment reports that every city and town is required to submit to the Division of Local Services. Additional information is collected from the U.S. Census Bureau and other federal and state agencies. The Data Bank develops and maintains systems to collect and distribute the information. The staff is available to assist users in interpretation and use. Most standard reports summarize both revenue and expenditure information into a few categories (e.g. recreation, education). More detailed or specialized reports can be requested.

To obtain Municipal Data Bank information contact Dora Brown or Debbie DePerri at (617) 626-2300. For technical assistance contact Burt Lewis at (617) 626-2358. The World Wide Web address is listed below. ■

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS website at **www.state.ma.us/dls** or by writing to PO Box 9490, Boston, MA 02205-9490.

Marilyn H. Browne, Managing Editor

Jean M. McCarthy, Editor

7M 11/99 GC00C02

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CITY & TOWN

GOVERNMENT DOCUMENTS COLLECTION

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Capital Improvement Programs

written by Gerard D. Perry

Municipalities wrestle with budget issues each and every year. Local policy makers have to grapple with the decision to spend for operating expenses or to invest funds for infrastructure. The cost of maintaining services has left many communities unable to keep pace with their capital needs. One way to plan for both a town's present and future infrastructure requirements is to have a comprehensive capital improvement program (CIP).

A capital improvement program is an important planning tool that examines the physical components, financial capacity, and long-range needs of a community. A CIP is comprised of two parts — a capital budget and a capital program. A capital item or project is defined as one having a cost of at least $10,000 with a useful life of at least three years. The capital budget is the capital spending plan for each year. The capital program is a long-range plan, recommended at five years beyond the capital budget, to determine and prioritize the town's needs within its financial constraints. The community should appoint a CIP committee to coordinate this important endeavor and insure that these goals are met. Massachusetts General Laws specifically states, "A town at its annual town meeting may by by-law establish a capital planning committee."[1]

A CIP has many benefits, including but not limited to enhancing a town's credit rating, stabilizing its tax rate, identifying revenue sources including potential grants, controlling debt, identifying and prioritizing projects, and keeping the capital needs of the community in the forefront. A capital planning committee works closely with all municipal officials within the community.

There are various steps a town should take to implement a successful CIP. First, the community should adopt a by-law establishing a CIP committee. This policy initiative will formalize and guide the process the municipality is to follow. Next, the committee should prepare an inventory of existing assets including properties. This inventory should identify the age, condition, and use of the asset. A review of previously approved projects should then be undertaken to determine what funds may be available from completed projects once the associated debt has been repaid. One of the most important duties of a CIP committee is to assess the town's financial capacity so that the tax levy and debt service remain stable. The community should try to stabilize the annual amount of debt service. This takes a coordinated effort with the financial and operational officers of the town. The CIP committee should compile and evaluate project requests, using a rating system to prioritize all submissions. Prioritizing the requests is often the most difficult task for the CIP committee, as it requires subjective analysis by the members. Each project should be reviewed to identify outside sources of revenue such as federal or state aid or grants. Utilizing this process is one way to reduce the impact on the community's tax burden.

A CIP is an important tool that benefits any community.

The recommendations of the CIP committee should be sent to the board of selectmen who, in turn, should have a public hearing on the committee's findings. Finally, these recommendations can be forwarded to town meeting for its consideration and review. The committee should continuously monitor approved projects, updating the program to meet the needs of the town. A comprehensive CIP will be a major benefit to both the present and future well-being of any community.

The Division of Local Services is available to assist any town that wants to start, develop, or enhance their own CIP. DLS has a manual, *Developing a Capital Improvements Program*, which is available to you upon request. Please contact Elaine Lombardi at (617) 626-2337 for a copy of the manual, or Melinda Ordway of the Technical Assistance Bureau for more information or assistance. ■

1. Chapter 41, Section 106B.

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LEGAL

in Our Opinion

Work Product Doctrine and the Public Records Law

The Supreme Judicial Court's latest pronouncement on access to government records is *General Electric Company v. Department of Environmental Protection.*[1] This case concerns whether a state agency can validly assert a work product privilege in response to a public records request. The agency argued that the documents were prepared in anticipation of litigation, or for trial, and could not be disclosed.

General Electric (GE) owned a manufacturing facility in Pittsfield. Pollution from the site contaminated areas around the Housatonic River. The Environmental Protection Agency, the federal agency, and the Department of Environmental Protection (DEP), the state agency, had concurrent jurisdiction and were cooperating in the investigation and clean-up of the area. The DEP supported the federal agency's efforts to declare the area a Superfund site. GE objected to the proposed designation and sought access to DEP documents relevant to the Superfund issue under the public records law. The DEP claimed that most of the documents were exempt from disclosure. GE then brought suit in superior court to obtain access to these records. The superior court judge ruled that the DEP acted properly in denying access since the documents in question were privileged under the common law work product doctrine and the policy deliberation exemption of the public records law. General Electric appealed, and the Supreme Judicial Court (SJC) agreed to hear the case.

The SJC held that documents privileged as work product under the Massachusetts Rules of Civil Procedure were not protected from disclosure under the public records law unless there was some express statutory exemption. The legislative purpose for Massachusetts' public records law, which was based on the federal Freedom of Information Act, was to ensure access to government documents. Numerous Massachusetts court decisions have held there is a presumption that a record is public and the burden of proof is on the government agency to show why the record is exempt from disclosure. The Legislature broadly defined public records in M.G.L. Chapter 4 and then enumerated certain exemption provisions.[2] Courts in Massachusetts have strictly interpreted these exemption provisions.

In prior decisions the SJC was reluctant to expand the number of exemption provisions by reading into the public records statute some implied limitation. In the *General Electric* case, the court reviewed the statute's legislative history. In 1973 when the Legislature debated the public records bill, an attempt to create an exemption for a public attorney's work product was defeated. The SJC, therefore, did not want to read a work product exemption, which the Legislature had expressly rejected, into the statute. The court also noted that the Massachusetts public records law, unlike the federal Freedom of Information Act on which it was based, did not contain an express exemption for the work product of a government attorney.

In the *General Electric* case, the court scrutinized the statutory exemption provisions. The DEP had argued that the requested records were exempt under a provision of the law which bars disclosure of materials specifically exempted by statute.[3] Although the Massachusetts Rules of Civil Procedure containing the work product privilege were promulgated in cooperation with the Legislature, the SJC rejected the notion that the Rules were a formal written enactment of the Legislature. Hence, the exemption by statute provision did not incorporate the Rules of Civil Procedure setting forth the work product doctrine.

The court, however, found that the policy deliberation exemption in another section of that law did apply to some of the documents. Chapter 4 Section 7 Clause 26(d) exempts "inter-agency or intra-agency memoranda or letters relating to policy positions being developed by the agency" but does not include factual studies or reports on which the development of the policy has been or may be based. In the court's view, the purpose of this policy deliberation provision was to promote discussions to arrive at better governmental decisions. Any documents, even if shared with the EPA, according to the court, would be exempt from disclosure if they were integral to the DEP's internal decision making processes regarding contaminated sites.

Accordingly, materials that can be characterized as work product are not protected from disclosure unless the documents come within some explicit statutory public records exemption provision.

written by James Crowley

1. 429 Mass. 798 (1999).
2. 4 Section 7 Clause 26.
3. Clause 26 paragraph (a).

More legal opinions can be found on page 7.

Focus on Y2K Readiness

State Public Information Campaign on Y2K

The Commonwealth of Massachusetts is nearing the close of its Year 2000 Public Information Campaign, "Be Y2K Wise." Cities and towns that have not yet provided guidance to their citizens on how to prepare their households for the Year 2000 may wish to use the accompanying "Y2K Flyer," (see page 4 for example) but a decision will need to be made right away for the material to be effective. This article provides some ideas on how to use the flyer to provide this information.

In addition to this flyer provided for use by cities and towns, the Be Y2K Wise campaign also involves radio and television public service announcements, radio and television interviews, a website at www.state.ma.us/BEY2KWISE, and a hand card which is being distributed at strategic locations throughout the state.

Personal Preparation Tips

Over the past year, the government of the Commonwealth of Massachusetts has been working hard alongside businesses and local government to minimize any impact the Y2K computer bug may have. Much has been done to repair or replace software and equipment, and to plan for contingencies. However, it is not possible to guarantee absolute perfection, since there are so many participants in every economic sector around the globe. As stated on November 10, 1999, by John Koskinen, Chair of the President's Year 2000 Council, in his Final Summary Assessment on U.S. Readiness for the Year 2000 Date Change:

"Based on the available information, we do not believe the Y2K issue will create significant problems in the United States, but *no one can rule out the possibility that there won't be temporary disruptions in some services.* We believe it is likely that any disruptions will be short-lived, like temporary problems caused by storms, and will not cause long-term challenges. In light of that situation, *the Council is advising the public to take reasonable steps to prepare themselves and their families for the date change."*

To help people prepare, the Commonwealth of Massachusetts' Year 2000 Public Information Office (Y2K PIO) has developed a basic checklist which a city or town can distribute to its citizens. The Y2K PIO has assembled a list of items citizens should make sure they have in their homes in the event of a disruption of services due *either* to Y2K or to a winter storm. This can help reduce the dependence of citizens on emergency services in the event of any disruption, not just a Y2K-related event. However, specifically for Y2K, the list also contains advice on maintaining financial records (which may be necessary if a vendor or service provider's information systems are affected), and on avoiding scams. As Koskinen stated, however, "It is important to note ... that we are advising individuals to adapt the recommendations in the checklist to their own personal situations and Y2K information made available by their local service providers. *I think the most important Y2K information any of us can have is about the readiness of our own communities.* There is no "one size fits all" for the entire country with regard to preparing for Y2K. People need to take the time to read Y2K notices being provided by local governments, banks, phone and power companies, supermarkets, and others so that they have a better understanding of what to expect in their neighborhoods and can prepare accordingly."

Readiness of Local Services

Municipal government provides many services, but in some communities very little information is available on the preparedness of these services. Therefore, the PIO is advising citizens to learn about their town's preparedness by watching for local information published by the town, attending meetings held by the town or a recognized local civic action group, or consulting with the municipal administration. In order to provide this readiness information to its citizens, your municipal government can publish this flyer, customized with additional town information.

The Y2K Flyer and How to Use It

The Y2K Flyer contains personal preparedness tips and a space for the municipality to insert its own information. This information could include the municipal seal, a Y2K Readiness Statement, and Contact Information:

Y2K Readiness Statement. To address the most frequently asked questions from citizens, the Y2K Readiness Statement should reflect the status of Y2K remediation work performed by the municipality and its school district(s), and mention whether the municipality's emergency preparedness plans have been adapted to address potential Y2K situations.

If you don't have a Readiness Statement and cannot prepare one in a couple of days, it may be possible to list a municipal telephone number where citizens can ask for information. This number might provide a recorded phone message, as well as the name and telephone number of a municipal official who can answer more specific questions. The municipality's Emer-

continued on page five ➡

TOWN SEAL
GOES HERE

www.state.ma.us/BEY2KWISE

1-877-Y2K-WISE

We have been working hard, along with businesses and the government of the Commonwealth of Massachusetts, to minimize any impact the Y2K computer "bug" may have on us. Much has been done to repair or replace software and equipment, and to plan for contingencies. According to the President's Council on Year 2000 Conversion, "No one can rule out the possibility that there won't be temporary disruptions in some services. We believe it is likely that any disruptions will be short-lived, like temporary problems caused by storms, and will not cause long-term challenges. In light of that situation, the Council is advising the public to take reasonable steps to prepare themselves and their families for the date change."

Here are some simple steps that you can take to prepare yourself and your family for any minor inconveniences brought about by Y2K.

BE Y2K WISE

✔ *Your Simple Y2K Check List of Handy Tips:*

- ❒ **Financial Statements/Transactions –** Collect and file financial statements and records (mortgage/stocks/payroll/insurance/deposits/and withdrawals) for November, December and January.
- ❒ **Money –** Have some extra cash on hand, but only as much cash as you would require for a long holiday weekend.
- ❒ **Beware of Y2K Scams –** Don't disclose credit card numbers or passwords to callers. Call the State Attorney General's office at 617. 727. 8400 to report any scam.
- ❒ **Prepare as if for a Winter Storm –** In general, prepare as you would for a winter storm. Remember, 911 is for emergencies only.
- ❒ **Health Care/Prescriptions –** Refill prescriptions when they are down to a 7 day supply. Keep reasonable supplies of household medicines, such as aspirin and cold and flu remedies.
- ❒ **Food/Water –** The Federal government suggests that you stock a 3 day supply of non-perishable food (canned foods and dry goods). Set aside 1 gallon of fresh water per person per day for cooking and drinking. Again, a 3 day supply will do.
- ❒ **Household Supplies –** Make sure you have a normal stock of flashlights, spare batteries, portable radio and other non-food staples.
- ❒ **Fuel –** Keep your fuel tanks (car/gasoline, oil and propane) at least half full.
- ❒ **Personal Computer –** You can check out your PC's compliance on-line at www.pcy2000.org.
- ❒ **Information –** Stay informed and share what you know with friends and neighbors. Use the Be Y2K Wise Web Site and Telephone Information Line to access resource information.

For statewide information call toll free 1-877-Y2K-WISE
or visit the BEY2KWISE web site at www.state.ma.us/BEY2KWISE

Recorded information 24 hours a day, every day.
Resource operators available 9 am to 5 pm Monday through Friday.

The "Be Y2K Wise" Program is brought to you by the Commonwealth of Massachusetts Executive Office of Administration and Finance, Executive Office of Public Safety, the State's Information Technology Division and MEMA.

Y2K Information Campaign
➡ *continued from page three*

gency Management Team leader is frequently a good choice, but will need to be prepared with information regarding the municipality's remediation work. This approach will allow a few extra days before people begin calling in order to prepare and record the phone message.

Contact Information. Citizens will want to know where they can go to learn more about your municipality's preparations. If your municipality's readiness information is already available via the Division of Local Services' website, you can direct them to www.state.ma.us/dls/y2kinfo. Additional phone numbers you may want to provide might include the main desk at the Police Department, and Town or City Hall. Finally, you may want to list the emergency shelters available in case of power outages (valuable information during a winter storm), and how citizens can learn if shelters have been activated (perhaps by local radio broadcast).

Making It Available. Once you've made a master copy with changes, you can duplicate the Y2K Flyer and provide supplies at libraries, schools, post offices, community centers, senior centers, etc. If you choose to use schools, it may be easiest to arrange with the school district for distribution via students.

Further Information

We hope this Y2K Flyer is useful in your municipality's efforts to prepare its citizens for the Year 2000. For further information you can contact the BEY2K-WISE help line at 1-877-Y2K-WISE. We wish you happy holidays! ■

written by Jack Appelmans, Project Manager, Y2K Program Management Office

FY2000 Cherry Sheets Available

The Department of Revenue's Division of Local Services (DLS) posted FY2000 Cherry Sheet estimates on the DLS website within a day of final action on the FY2000 state budget. The paper copies of the FY2000 Cherry Sheets were mailed to municipal and school officials two business days later. The mailing included a program-by-program comparison of the FY1999 and FY2000 Cherry Sheets.

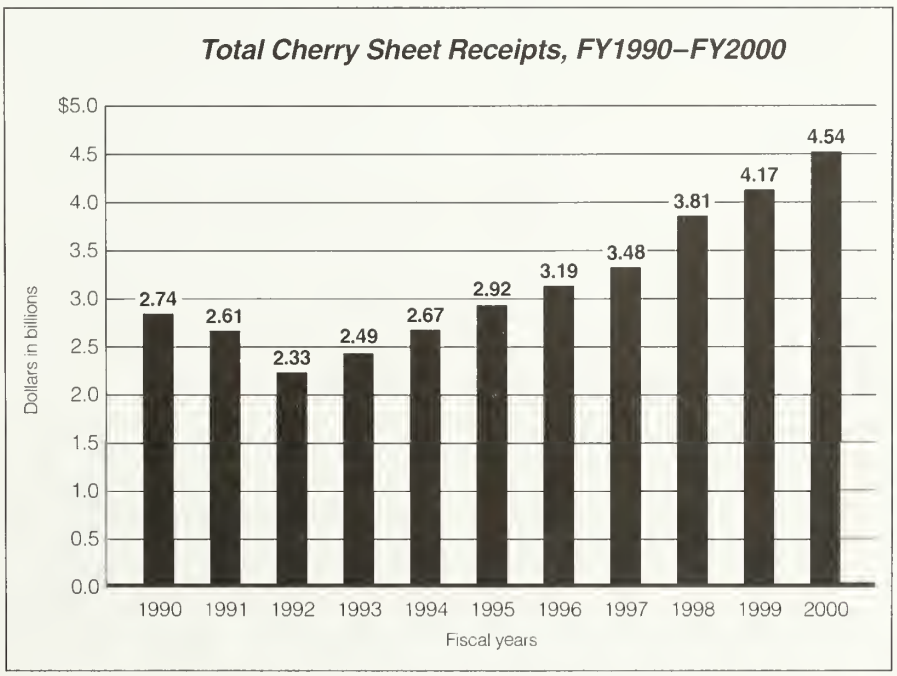
The FY2000 estimated receipts for cities, towns and regional school districts total $4.538 billion, an increase of $364.8 million or 8.7 percent from the FY1999 Cherry Sheet totals of $4.174 billion. The increase is primarily attributable to a $237.2 million increase in Chapter 70 aid and a $72.5 million increase in lottery aid.

In early March of 1999, the Department of Education (DOE) notified school superintendents, school committees, mayors and boards of selectmen of preliminary estimates of FY2000 net school spending requirements prescribed by the Education Reform Act.[1] In many cases, the community's FY2000 Cherry Sheet reflected a level of Chapter 70 aid different from that included in DOE's March notification. This change resulted in a revision of net school spending requirements and may result in the need for budgetary revisions by town meetings or city/town councils. DOE plans to mail revised and final net school spending requirements to local officials.

Local officials should also be aware that the Legislature made changes to the Massachusetts Bay Transportation Authority (MBTA) funding process. This legislation increases the number of communities that constitute the MBTA and changes the method for assessing member communities. However, these changes will not impact MBTA assessments until FY2002.

Division of Local Services staff are available to answer questions or provide additional information. Call the Local Aid Section, Municipal Data Management and Technical Assistance Bureau, Division of Local Services, at (617) 626-2376 or (617) 626-2386. ■

1. Chapter 71 of the Acts of 1993, as amended.



DLS UPDATE

Millennium Rollover Weekend

The Division of Local Services plans to carefully check essential municipal systems and facilities on Saturday, January 1, 2000 to determine if the public can expect "business as usual" in their communities on Monday, January 3, 2000. Besides closely tracking a sample of about 70 cities and towns, the Massachusetts Emergency Management Agency (MEMA) will be monitoring reports of emergency situations. Working in cooperation with MEMA, DLS will emphasize administrative readiness by attempting to contact each city and town to determine if municipal government systems will be functional on Monday morning. Local communities have already begun contacting DLS with the names and telephone numbers of contact persons. DLS' staff will be at the MEMA bunker in Framingham throughout the day on Saturday to coordinate reporting, ensuring that all emergency reports related to individual communities are reflected in the overall report of community status. If corrective actions require attention at the state level, officials need as much advance notice as possible. The objective is to report on the readiness status of all communities as of 3 p.m. to the Governor, the legislature, the Y2K coordinating Council and the media.

FY2000 EQV Program

Fiscal Year 2000 is a busy one for assessing departments across the Commonwealth. One-third of all communities will have their real and personal property recertified for FY2000, and the remaining two-thirds will participate in the Equalized Valuation Program (EQV). In every even-numbered year, the Commissioner of Revenue determines EQV for all cities and towns in Massachusetts as required by MGL Ch.58, §10C. During the process, the DLS' Bureau of Local Assessment (BLA) determines the full and fair market value of all taxable property, as well as the level of assessment of the major classes of property in each community. BLA uses that information, supplemented by appraisals when there are insufficient sales of commercial and industrial properties, to determine EQVs. The state uses the EQVs in selected Cherry Sheet formulas to ensure that assessments and distributions are equitable.

From start to finish the EQV program encompasses approximately one year. By mid-January all communities not recertified in FY2000 will submit their property sales reports to the BLA. Since those sales reports are one of the most important components of the EQV program, assessors need to review all sales as of the January 1, 1999 assessment date (calendar year 1998 sales) to determine if they are valid market sales. A market value sale reflects the price a willing buyer would pay a willing seller under no special circumstances. Examples of special circumstances would be divorce, foreclosure or family sales. Coding on the sales reports indicates those sales that do not reflect market value. Before submitting the reports assessors should carefully review the coding and make any necessary changes. Because the EQV study relies heavily on statistical analysis of these sales, BLA closely examines the sales coding for accuracy and consistency.

BLA will send preliminary equalized valuations to assessors in June 2000. Assessors have the opportunity to review these preliminary numbers. They may request adjustments from BLA if they have appropriate documentation. Assessors who remain dissatisfied have the opportunity to file an appeal at the Appellate Tax Board (ATB).

Equalized Valuation Timetable — 2000

1/23/2000: Assessors submit sales-reports

6/1/2000: BLA mails proposed EQVs

6/10/2000: BLA completes public hearings

7/20/2000: BLA completes EQV revisions

9/10/2000: Municipality appeal of EQV to ATB

1/20/2001: ATB acts on EQV appeals

Early 2001: Legislature accepts EQVs

This year BLA plans to use technology as much as possible. We anticipate receiving and sending data to communities through the Internet. This will reduce the time it takes to conduct analyses by eliminating mail delays and/or time-consuming trips to Boston. If you have any questions on the EQV process, please call Donna Demirai at (617) 626-2391.

Improvements to the DLS Website

DLS is adding links to *City & Town* focus articles to the Municipal Data Bank home page so that local officials can easily find and access information that has appeared in our publication by topic. Although copies of *City & Town* are currently available on the DLS website, they are listed under Publications by date of issue. There has not been a way to find an article by its subject matter prior to this recent upgrade. Future plans for the website include adding definitions of commonly used terms. The address is www.state.ma.us/dls/mdm.htm. ■

More Legal
➡ *continued from page two*

Zoning and Child Care Facilities

In *Petrucci v. Board of Appeals of Westwood*, the Appeals Court rendered an important decision concerning the siting of a child care facility.[1] The appellant lived in Westwood in a single family home on a 53,000 square foot lot in an area zoned for single family residences. In 1995, the owner decided to renovate a barn on his property to use as a child care facility that would accommodate 47 children and six adults. His application for a building permit was denied. After his appeal to the Westwood Board of Appeals was also denied, he appealed to Land Court which ruled in his favor. The Town of Westwood made a further appeal to the Appeals Court.

At issue is the court's interpretation of the zoning statute, Chapter 40A Section 3. As amended in 1990, this statute prohibits any zoning ordinance from requiring a special permit for the use of land or structures for the primary, accessory or incidental purposes of operating a child care facility. That law also provides that a community may impose reasonable dimensional restrictions. The Westwood Board of Appeals argued that the statute should be narrowly construed. In the board's view, the proposed child care facility would create two principal uses on the property, since such a facility was clearly not accessory or incidental to a residential use. In the opinion of the Board of Appeals, the zoning statute did not afford an exemption for a child care facility where two primary uses would be situated on one property.

The Appeals Court rejected the town's argument. The court analyzed Chapter 40A Section 3 and agreed that the Legislature had employed different language when it provided a zoning exemption for educational or religious uses as compared to the exemption for child care facilities. Chapter 40A Section 3 expressly states that a zoning bylaw shall not "prohibit, or require a special permit for, the use of land or structures, or the expansion of existing structures, for the primary, accessory or incidental purpose of operating a child care facility. ..." The Appeals Court did not interpret the language "primary, accessory or incidental" as an all-inclusive phrase exempting all child care facilities from local zoning. Rather, the court held that Petrucci's application came within the terms of the statute because he intended to use an existing structure, his barn, for the primary purpose of operating a child care facility. In the court's view, such a proposed use was protected by the statute.

Having established that the use of the barn qualified for the statutory child care facility exemption, the Appeals Court then inquired whether the Town of Westwood had imposed reasonable dimensional set back and height requirements on the proposed use of the barn. The landmark case on this subject is *Trustees of Tufts College v. Medford*.[2] In *Tufts*, the Supreme Judicial Court ruled that the reasonableness of local zoning requirements had to be determined on a case by case basis. The burden of proof was on the applicant to show that the local requirements were excessive.

In *Petrucci*, the barn was a rare example of transitional Greek-revival Italianate-style architecture built about 1840. According to the evidence presented, the only way the owner could comply with the Westwood dimensional by-law was by relocating the barn. According to the owner, the $150,000 cost of relocation would exceed the amount needed to renovate the barn to serve as a child care facility. From the evidence, relocating the barn would not promote the town's safety, aesthetics and privacy interests. The Appeals Court, therefore, held that it would be unreasonable to impose any dimensional requirements on the owner.

Accordingly, the Westwood Board of Appeals was ordered to issue the building permit to Petrucci. ■

1. 45 Mass. App. Ct. 818 (1998).
2. 415 Mass. 753 (1993).

DLS Computer System Unavailable on December 31

The Division of Local Services' computer system will not be operational on Friday, December 31, in preparation for the Y2K conversion. Be sure to access any information you may need before that date.

Please note, the Bureau of Accounts will be unable to certify tax rates without the technical support so do not wait until the last minute to submit your tax rate recapitulation sheet.

The computer system should be available for business on Monday, January 3, 2000. ■

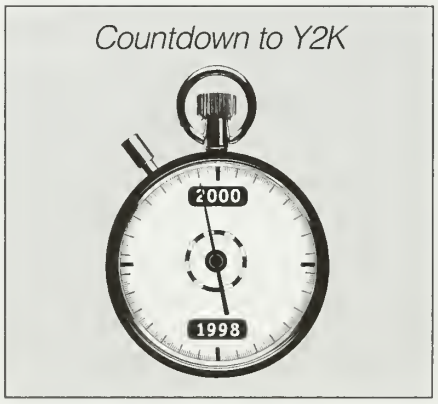
Municipal Fiscal Calendar

January 1
Assessors: *Property tax assessment date.*

January 31
Treasurer: *File IRS Form 5500 (Report of Employee Benefit Plan).*

Employment Opportunity

Deputy Bureau Chief — The Bureau of Local Assessment is seeking a Deputy Chief to direct real and personal property appraisal programs and manage appraisal staff statewide. Applicants should have seven to 10 years' experience in property appraisal, mass appraisal and property tax administration. A bachelor's degree is required and a master's is preferred. Applicants should have demonstrated ability in management, communication, writing, teaching, mass appraisal, (including computerized) statistical analysis and commercial appraisal. The ideal candidate has a designation, e.g., CAE or MAI and knowledge of Massachusetts' assessment administration and law. Travel is required. Send resumes to Marilyn H. Browne at the *City & Town* address below, by fax to (617) 626-2330, or e-mail to Marilyn.Browne@state.ma.us. ■



Data Bank Highlight

The Municipal Data Bank produces research reports (e.g., Focus articles in *City & Town*), data analyses (e.g., Expenditures by Function), and summary reports (e.g., At-A-Glance) that are available for use by state and local officials, non-profit and academic research groups, the press, and private individuals. The reports are available on the DLS website, or they can be requested by calling the Data Bank staff or sending an e-mail to stanley.nyberg@dor.state.ma.us. In addition to standard reports and primary data, users can request customized reports with the Community Report Builder on the website. Data Bank staff also are available upon request to work with individuals or groups to help them develop specialized reports or analyses.

To obtain Municipal Data Bank information contact Dora Brown or Debbie DePerri at (617) 626-2300. For technical assistance contact Burt Lewis at (617) 626-2358. The World Wide Web address is listed below. ■

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS website at **www.state.ma.us/dls** or by writing to PO Box 9490, Boston, MA 02205-9490.

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"Circuit Breaker" for Low and Moderate Income Seniors

Written by Bruce Stanford

With outside sections of the FY2000 state budget,[1] the Legislature instituted a new tax credit program to assist low and moderate income, elderly persons in paying property taxes and utility charges relating to their domiciles. Under this program, eligible homeowners and renters can receive a refundable credit on their state income taxes.

To qualify for a credit, a person must be at least 65 years of age, occupy the subject property as his or her principal residence, and have had an income below a prescribed ceiling amount for the relevant calendar year. The initial ceiling amounts defined in the legislation are $40,000 for a single individual who is not the head of a household, $50,000 for a head of household, and $60,000 for a husband and wife filing a joint return. In addition, the assessed valuation of the person's residence cannot exceed $400,000.

The amount of the credit to which a qualifying person is entitled is the amount by which the taxpayer's property taxes, together with the eligible amount of that taxpayer's water and sewer charges, exceed 10 percent of the taxpayer's income. For communities that include water and sewer debt service in their property tax assessments pursuant to M.G.L. Ch. 59 §21C(n), the eligible amount of water and sewer charges is the sum that taxpayer paid as part of his or her tax bill for water and sewer debt service. For other communities, the eligible amount for each taxpayer is 50 percent of the water and sewer charges in the tax year for which credit is sought.

A taxpayer, however, may not necessarily receive the full amount by which property taxes and utility charges exceed 10 percent of income. Rather, the legislation imposes limits on the credit amount. It also phases in the amount of the credit. In the initial year of the program (i.e., for the tax year beginning January 1, 2001), that maximum is $375. The maximum increases in subsequent years to $750.

Let us consider, as an example, an unmarried, elderly homeowner with an income of $35,000. Ten percent of that person's income would equal $3,500. Consequently, the senior would receive an income tax credit in the amount by which his or her property taxes plus eligible water and sewer bills exceeded $3,500, up to $375 in the first year and $750 in following years. Of course, if the aggregate of the senior's property taxes and eligible water and sewer bills was under $3,500, the senior would not be eligible for any credit in that year.

A senior who rents his or her domicile may also qualify for an income tax credit under this new legislation. For calculation purposes, the statute presumes that 25 percent of a person's rent is for property taxes and water and sewer bills. Therefore, the program entitles a senior who rents his or her domicile to a credit if 25 percent of that senior's rent exceeds 10 percent of his or her income, again up to the statutory limits. A renter whose rent is subsidized by the state or federal government through a rental assistance program, however, is not entitled to a tax credit under the program.

Tax credits received by qualifying seniors are not considered income for the purpose of obtaining eligibility or benefits under other means-tested assistance programs, including food, medical, housing, energy, and educational assistance programs.

Seniors who are not obliged to file a state income tax return because they do not owe taxes may, nevertheless, obtain a credit. To do so, however, they must file a return.

In order to safeguard the benefits of the tax credit program from the effects of inflation, the legislation contains language which automatically increases both the benefit amount and the eligibility limits in future years. The income, valuation and credit limits, set out in the statute, adjust automatically in synchrony with the consumer price index.

The new "circuit breaker" program will provide helpful assistance to low and moderate income seniors when its provisions become effective. However, since the program first becomes effective with the tax year beginning January 1, 2001, its benefits will only be realized when eligible seniors file state income tax returns in 2002. ■

1. Ch. 127 §§ 80 and 81 of the Acts of 1999.

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LEGAL

in Our Opinion

History of Property Tax

As we prepare to enter the twenty-first century, it might be appropriate to review the historical development of property taxation from colonial times to the present. A property tax can be defined as an enforced contribution of money or other property imposed according to some reasonable rule of apportionment, by a sovereign state, on property within its jurisdiction in order to defray the public charges. A property tax differs from an excise, which is an assessment on an event or privilege. For example, our present day motor vehicle excise is imposed for the privilege of registration. A tax is involuntary, unlike a fee that is charged for a service.

In 1630, the King of England gave the Massachusetts Bay Company a charter to govern a colony. Although the charter did not expressly confer the power to tax, the Massachusetts Bay Company, needing money to run a government, imposed property taxes. They perceived that the power of taxation was included in the terms of the charter by implication. After reorganization of the province in 1691, a new charter gave the general court the power to impose and levy "proportionable and reasonable assessments, rates and taxes" upon the property and inhabitants of the province. The power to tax was vested in the legislative branch of government.

Our present governmental structure, which consists of legislative, executive and judicial branches, also reserves to the Massachusetts Legislature the exclusive power to tax. This concept can be traced to the conflict between the King of England and Parliament over the right to levy taxes, at the time of the colonial settlements.

Interestingly, the Massachusetts Constitution, which dates from 1780, also empowers the General Court "to impose and levy proportional and reasonable assessments, rates and taxes."[1] Cities and towns in Massachusetts have no inherent power to tax, but rather have only those powers to tax that have been expressly conferred by the Legislature.

As first stated in 1780, the two goals in taxation were assessments at market value which were also proportional. To achieve proportionality, all property should be assessed at the same percentage of value. An unequal assessment would result in the taxpayer's paying more than his just share of taxes.

The Supreme Judicial Court (SJC), however, later ruled that a taxpayer could seek an abatement only if his property was assessed at more than its fair cash value. There was no legal remedy if other similar property in the community was assessed at less than the taxpayer's property. In its decision, the court held that disproportionate assessment was not a cause for legal action.[2] Over 30 years later, the United States Supreme Court held that a taxpayer whose property was assessed at a greater percentage of fair cash value than his neighbor's property could receive an abatement of the tax to the same percentage of full value as that of other taxpayers.[3]

Notwithstanding the U.S. Supreme Court ruling, there continued to be disproportionate assessment in Massachusetts because communities seldom revalued property, maintaining the historic basis rather than periodically reassessing to current, market value. Also, different classes of property were often assessed at varying percentages of fair cash value. This practice of disproportionate assessment was contested by a Springfield taxpayer who sued to recover his real estate taxes, complaining that property in the city was assessed at vastly different percentages of fair cash value. The taxpayer claimed assessments for the entire city should be void since the assessors did not comply with the state constitutional requirement of proportional assessment. The SJC, however, denied relief ruling that the taxpayer did not show evidence of a widespread scheme of disproportionate assessment.[4]

Undeterred by this decision, another group of taxpayers challenged assessing practices in Springfield a year later. They showed convincing evidence that assessments for different classes of property were disproportionate. Single family houses, which comprised 43 percent of the total fair cash value of taxable property, were paying only 33 percent of the property taxes. Yet, public utility, commercial and industrial parcels, which represented 28 percent of total taxable fair cash value, were paying 37 percent of the property taxes. The SJC found that there was a complete failure to comply with the constitutional and statutory requirement of proportional assessment and ordered the revaluation of all property.[5]

The Springfield decision resulted in other communities revaluing to bring assessments up to current market values. However, since equalized values (EQVs) are an important factor in distributing local aid, certain municipalities became concerned at the inequities caused by the slow speed by which the fair cash value standard was being implemented. Local officials noted a disparity in the EQVs for the years 1972 and 1974. In most communities, the equalized values were far

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Focus on Municipal Finance

A Look at Proposition 2½ Referenda by Category

City & Town periodically reviews Proposition 2½ referenda questions to see what types of questions communities are placing before their voters and for what reasons. This article looks at referenda from FY1994 through FY1998 to see which types of referenda questions are meeting success and whether certain categories of expenditures win voter approval more often than other categories.

There are three common types of referenda: overrides, capital exclusions and debt exclusions. An override permanently increases the local levy limit to cover spending purposes that are considered ongoing expenses. The override ballot question specifies the dollar amount and the spending purpose of the vote, and requires a majority vote of the electorate for approval. Once approved, an override increases the levy limit and, in subsequent years, is included in the levy limit base that is increased annually by 2.5 percent. In FY1994 only 34.5 percent of the 304 overrides attempted were successful. The number of proposed overrides has decreased each year since then. In FY1998, there were only 94 attempts. Interestingly, 45.7 percent of those attempts were successful – the highest rate of approval in the 1990s! During the five-year period from FY1994 to FY1998, there was a total of 837 override attempts with a 36.3 percent success rate.

Capital expenditure exclusions allow voters to raise property taxes, for a single year only, in excess of the levy limit to fund certain capital projects such as fire trucks, computer equipment, or repairs to municipal buildings. For capital expenditure exclusions, the approved amount of the exclusion is added to the levy limit only for the year in which the project is undertaken or acquisition made. The number of attempted capital exclusions was highest in FY1995 (103). This was a sharp increase from the 65 attempts in FY1994. After FY1995, the number of attempts decreased through FY1997 (53 attempts) and then increased to 64 in FY1998. The success rate climbed to 76.6 percent in FY1998. For the five-year period, there was a total of 358 attempted capital expenditure exclusions with a 57.5 percent success rate.

A debt exclusion allows voters to approve a temporary increase in the levy limit to fund the payment of special debt service costs. The additional amount for debt service, for borrowing with an approved debt exclusion vote, is applied to the levy limit for each year of the life of the obligation. Because debt exclusions are for a multi-year period, DLS records them in the calendar year (CY) they are first approved. More debt exclusions were attempted in CY1996 (201) than in any other year in the five-year period. Although 75.1 percent of those attempted debt exclusions were successful, in CY1997 only 85 were placed on the ballot and the success rate dropped to 51.8 percent. From CY1993 through CY1997, there were 847 attempted debt exclusions with a 66.4 percent success rate overall.

Are voters more likely to approve referenda questions for certain purposes? Referenda questions have been grouped into eight categories: culture and recreation, general government, general operating, health/human services, public safety, education and other. From FY1994 through FY1998, there were more referenda questions of all three types for education (568) than for any other category, but public works (524) was not far behind. The number of school related questions put before the voters has declined from 129 in FY1994 to 69 in FY1998. Until FY1998, more than 50 percent of all school related questions were successful. In FY1998 only 49.3 percent of the questions were successful. Although there have been a number of proposed overrides dealing with schools, in every year in our sample there were more failures than successful votes. Only 40.6 percent of overrides for education were successful. On the other hand, 69.9 percent of debt exclusions for school purposes have been approved Capital exclusions have been attempted for educational purposes 42 times in the five year period with a 59.5 percent approval rate.

Public works projects appear to be gaining support by voters. The overall success rate has increased from 48.8 percent in FY1994 to 62.5 percent in FY1998. Similar to education, attempted overrides for public works purposes have generally failed (only 32.2 percent have been successful.) Proposed debt exclusions have won 67.6 percent approval. Capital exclusions appear to be used more often for public works proposals than for any other category with 128 questions from FY1994 through FY1998. Other than in FY1994 when there were only seven successful capital exclusion referenda with nine losses, voters have given their approval when capital exclusions are for public works (60.2 percent).

Voters usually support referenda questions for public safety. In FY1994, 44.7 percent of the 103 questions (all three types) dealing with public safety were approved. The approval rate climbed to 58.2 percent in FY1995, then dropped to 44.9 percent in FY1996.

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Proposition 2½ Referenda By Category, FY94 to FY98

	FY94 overrides		FY94 capital outlay expenditure exclusions		CY93 debt exclusions				
Type	**Wins**	**Losses**	**Wins**	**Losses**	**Wins**	**Losses**	**Total wins**	**Total**	**Percent**
Culture and Recreation	6	19	4	2	6	6	16	43	37.2
General Government	7	31	3	2	11	14	21	68	30.9
General Operating	12	23	2	3	3	2	17	45	37.8
Health/Human Services	9	5	1	0	1	1	11	17	64.7
Public Safety	21	38	13	6	12	13	46	103	44.7
Public Works	20	34	7	9	36	23	63	129	48.8
Education	28	45	10	3	30	13	68	129	52.7
Funds	2	4	0	0	0	0	2	6	33.3
Totals	105	199	40	25	99	72	244	540	45.2
Total attempts	304		65		171				
Successful attempts (%)	34.5		61.5		57.9				

	FY95 overrides		FY95 capital outlay expenditure exclusions		CY94 debt exclusions				
Type	**Wins**	**Losses**	**Wins**	**Losses**	**Wins**	**Losses**	**Total wins**	**Total**	**Percent**
Culture and Recreation	11	10	7	3	11	2	29	44	65.9
General Government	9	12	5	10	10	8	24	54	44.4
General Operating	13	16	1	0	3	1	17	34	50.0
Health/Human Services	1	6	1	1	0	1	2	10	20.0
Public Safety	13	10	11	16	22	7	46	79	58.2
Public Works	9	23	20	15	35	21	64	123	52.0
Education	15	24	3	10	50	22	68	124	54.8
Funds	0	1	0	0	0	0	0	1	0.0
Totals	71	102	48	55	131	62	250	469	53.3
Total attempts	173		103		193				
Successful attempts (%)	41.0		46.6		67.9				

	FY96 overrides		FY96 capital outlay expenditure exclusions		CY95 debt exclusions				
Type	**Wins**	**Losses**	**Wins**	**Losses**	**Wins**	**Losses**	**Total wins**	**Total**	**Percent**
Culture and Recreation	7	10	2	1	10	7	19	37	51.4
General Government	4	22	2	3	11	10	17	52	32.7
General Operating	3	6	1	2	2	2	6	16	37.5
Health/Human Services	1	0	2	0	1	1	4	5	80.0
Public Safety	7	18	7	15	21	10	35	78	44.9
Public Works	9	32	16	16	34	13	59	120	49.2
Education	23	25	4	2	58	17	85	129	65.9
Funds	0	1	0	0	0	0	0	1	0.0
Totals	54	114	34	39	137	60	225	438	51.4
Total attempts	168		73		197				
Successful attempts (%)	32.1		46.6		69.5				

Type	FY97 overrides		FY97 capital outlay expenditure exclusions		CY96 debt exclusions		Total wins	Total	Percent
	Wins	Losses	Wins	Losses	Wins	Losses			
Culture and Recreation	5	1	3	0	16	4	24	29	82.8
General Government	0	6	1	3	15	3	16	28	57.1
General Operating	0	12	0	2	5	2	5	21	23.8
Health/Human Services	2	1	0	1	0	0	2	4	50.0
Public Safety	4	13	12	6	14	6	30	55	54.5
Public Works	7	10	17	5	44	13	68	96	70.8
Education	13	22	2	1	57	22	72	117	61.5
Funds	0	2	0	0	0	0	0	2	0.0
Totals	31	67	35	18	151	50	217	352	61.6
Total attempts	98		53		201				
Successful attempts (%)	31.6		66.0		75.1				

Type	FY98 overrides		FY98 capital outlay expenditure exclusions		CY97 debt exclusions		Total wins	Total	Percent
	Wins	Losses	Wins	Losses	Wins	Losses			
Culture and Recreation	4	3	3	3	5	3	12	21	57.1
General Government	1	5	3	1	5	2	9	17	52.9
General Operating	12	14	6	1	2	5	20	40	50.0
Health/Human Services	0	0	0	0	0	0	0	0	0.0
Public Safety	6	4	14	3	4	7	24	38	63.2
Public Works	6	8	17	6	12	7	35	56	62.5
Education	12	17	6	1	16	17	34	69	49.3
Funds	2	0	0	0	0	0	2	2	100.0
Totals	43	51	49	15	44	41	136	243	56.0
Total attempts	94		64		85				
Successful attempts (%)	45.7		76.6		51.8				

Total wins/losses	304	533	206	152	562	285	1072	2042	52.5%
Number of questions/ percent wins	837	36.3%	358	57.5%	847	66.4%			

Proposition 2½ Referenda by Category
➡ *continued from page three*

The number of proposed referenda in this category has declined steadily to only 38 in FY1998. The voters approved 63.2 percent of those requests. Attempted overrides have been successful 38.1 percent of the time. Capital expenditure exclusions are frequently used for public safety purposes although not as often as for public works (103). They have met with mixed results with 55.3 percent winning approval. Debt exclusions for public safety purposes (136) have a 62.9 percent approval rate.

The health and human services category has had the fewest proposed referenda in the past five years (36) with a very uneven rate of approval. In FY1994 voters approved 64.7 percent of the 17 questions. They approved only 20 percent of 10 questions in FY1995 but then approved 80 percent of the 5 proposed for FY1996. In FY1997 the approval rate was only 50 percent of four questions. Perhaps local officials thought that was a message from the voters – not one referenda question for health and human services was proposed in FY1998. Most of the proposals in this category were for overrides (52 percent of 25 questions approved), but 66.7 percent of the six proposed capital expenditure exclusions were approved. Only 40 percent of the debt exclusions found support.

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History of Property Tax
➡ *continued from page two*

below fair market value. EQVs approximated market values only in those municipalities that had undergone complete revaluations. Communities that had revalued had 1974 EQVs almost double those for 1972, resulting in a steep decline in local aid. The Town of Sudbury sought a judicial determination that the Commissioner of Corporations and Taxation, as the Revenue Department was then called, was responsible for enforcing the constitutional valuation requirements. In the landmark decision of *Town of Sudbury v. Commissioner of Corporations & Taxation*, the SJC ruled that the Commissioner, in administering and enforcing the laws relating to equalized valuation, could *require* local assessors to assess property at full and fair cash value.[6] The ruling gave the Commissioner an authoritative role, not merely an advisory/educational function, in producing uniform assessments throughout the Commonwealth.

When certain communities failed to appropriate funds for reassessment, the Commissioner sought court-ordered revaluations. In the aftermath of *Commonwealth v. Andover*, the Legislature enacted M.G.L. Ch. 58 §§ 4A-4C which expanded the Commissioner's power by authorizing him to contract with revaluation firms and deduct the cost of the services from the community's local aid if a community failed to contract on its own.[7]

After a constitutional amendment in 1978, the Legislature enacted a law permitting the classification of real property by use.[8] If the Commissioner has certified that the community is assessing property at full and fair cash value, the city or town can shift some of the tax levy from residential to commercial and industrial property, resulting in lower tax bills for residential property owners. Residential exemptions, open space exemptions, and small commercial exemptions provide other legal ways to shift the tax burden. Special property tax treatment for agricultural/horticultural, forest and recreational lands is also permitted in the State Constitution. ■

written by James Crowley

1. Part II, c.1. §.1, art. 4.
2. *City of Lowell v. County Commissioners of Middlesex*, 152 Mass. 372 (1890).
3. *Sioux City Bridge Company v. Dakota County*, 260 U.S. 441 (1923).
4. *Stone v. Springfield*, 341 Mass. 246 (1960).
5. *Bettigole v. Assessors of Springfield*, 343 Mass. 223 (1961).
6. 366 Mass. 558 (1974).
7. 378 Mass. 370 (1979).
8. M.G.L. Ch.40 § 56.

Proposition 2½ Referenda by Category
➡ *continued from page five*

Referenda for culture and recreation have also had a checkered history. The approval rate has ranged from only 37.2 percent in FY1994 to a high of 82.8 percent in FY1997. The number of proposed questions seems to be declining. There were 44 attempted referenda in FY1995 but only 21 in FY1998. Overrides seem to be the preferred referenda type for this category with a total of 76 attempts, of which only 43.4 percent won approval. There were almost as many attempted debt exclusion questions (70), but the success rate was 68.6 percent! Although there were only 28 proposed capital exclusions, they won 67.8 percent approval.

Neither the general operating category nor the general government category has fared well with voters. The highest rate of approval was for general government in FY1997 (57.1 percent). The lowest approval rate was for general operating expenses in the same year (23.8 percent). Attempted overrides were the least successful: 21.6 percent approval for general government and 36 percent approval for general operating expenses. General operating questions met success 55.6 percent of the time whether the question was presented as a capital exclusion or a debt exclusion, but more debt exclusions were attempted (27 debt exclusions, 18 capital exclusions). For general government, debt exclusions have won approval more often than not, (58.4 percent), but proposed capital exclusions have not fared as well (42.4 percent approved.)

It is clear that voters are more likely to support debt exclusions than any other type of referenda question. Looking at all three types of referenda questions, the most popular categories are education with an overall success rate of 57.5 percent, culture and recreation with 57.4 percent approval, and public works (55.2 percent approved). The types of referenda least likely to be approved are general government (37.7 percent approved), general operating (39 percent approved), and public safety (49.3 percent approved). ■

written by Jean McCarthy

Municipal Finance Glossary

The Division of Local Services has a new publication entitled *Municipal Finance Glossary*, which will be distributed to local officials in mid-January. A tool for experienced as well as new officials, the glossary defines terms encountered by local officials in their daily work. The booklet includes a comprehensive list of acronyms, as well as the Internet addresses of websites of interest. The *Municipal Finance Glossary* is three-hole-punched so that it can be incorporated into existing manuals, but it can also stand alone.

DLS welcomes comments and suggestions. Contact Jean McCarthy by phone at (617) 626-2405, by fax at (617) 626-2330, or by e-mail at mccarthyjm@state.ma.us. The DLS website address is www.state.ma.us/dls. ■

DLS UPDATE

Special Awards to DLS Employees

Kathleen Colleary, an attorney with the DLS' Property Tax Bureau, received a special award from the Massachusetts Association of Assessing Officers at its November 18, 1999 meeting. Hugh Smith, president of the MAAO, presented Kathleen with an engraved plaque. The award reads:

"In recognition and appreciation of her continuing efforts in dispersing her knowledge of the laws to assessors and their personnel, thereby providing the education necessary for them to better perform their duties."

Kathleen began her professional career with DLS' Bureau of Local Assessment, and then transferred to the Property Tax Bureau where she has been ever since, a total of almost 20 years service. Although knowledgeable in all aspects of municipal law, Kathleen specializes in areas relating to assessment. She is also expert in interpreting Proposition 2½ and advising on the proper wording of referenda questions.

The Plymouth County Assessor's Association presented the Richard Weaver Award to **Lorraine Reilly** at its Annual Meeting on December 8, 1999. Lorraine recently retired from DLS after 14 years of state service. A staff appraiser in the Bureau of Local Assessment (BLA), Lorraine served as the BLA field representative for many local communities in Plymouth County. According to Mary Quill, President of the Plymouth County Assessors Association, Lorraine received the award in recognition of her capable, reliable and caring service to local communities. "We are really going to miss, Lorraine," said Ms. Quill. The Weaver Award is given annually to a person associated with Plymouth County who has made an outstanding contribution to assessing.

Harry Grossman Leaves DOR

Harry Grossman was appointed General Counsel to the Secretary of Administration and Finance, Andrew Natsios effective December 20, 1999. Harry left the Department of Revenue (DOR) after almost 20 years, having served as Chief of the Property Tax Bureau and Acting Deputy Commissioner of the Division of Local Services before his promotion to DOR First Deputy Commissioner in charge of special litigation. Bruce Stanford, Chief of the Property Tax Bureau, praised Harry's integrity and leadership at a well attended reception for Harry. "The word that comes to mind when talking about Harry is gentleman, in the best sense of the word," said Bruce.

Harry has received numerous awards throughout his career. Most recently, Banker & Tradesman recognized him as a Leader Making a Difference. The award stated, "His peers and co-workers say Grossman, the DOR's First Deputy Commissioner, is one of the most admired and respected people in the organization." Harry also received a special award from the Massachusetts Association of Assessing Officers in November 1999. In addition to his service at DOR, Harry serves on the Marblehead Board of Appeals and is a member of the evening faculty at Suffolk University. Harry lives in Marblehead with his wife and two children.

DOR Announces Quicker, Easier Tax Filing Options

The Massachusetts Department of Revenue (DOR) is pleased to announce that it has expanded its e-file eligibility requirements so that more taxpayers and practitioners can take advantage of quicker, easier income tax filing options. This year, DOR has opened e-file to accept returns for full-year nonresident taxpayers, as well as first time resident filers. In addition to making e-file available to more taxpayers, DOR has also instituted a number of administrative changes to ensure privacy and streamline the filing process.

Feedback from last year's filing season seminar indicated that practitioners were interested in seeing DOR expand its e-file capabilities to allow them to file electronically for more of their clients. This year, DOR will accept Telefile and PC File returns for first time resident filers. Practitioners can file these returns using their own Department-approved software, or by using DOR's Telefile or PC File programs. In addition, the Department has upgraded its PC File software to allow for all schedules and worksheets, as well as full-year nonresident returns.

As always with these e-file options, taxpayers and practitioners can rely on 24 hours a day, seven days a week availability, and a four day refund turnaround time. The PC File software, which operates on personal computers running Windows 95 or above, is free and easy to download from DOR's website at www.state.ma.us/dor. Once installed, the software performs all the necessary calculations and guides taxpayers through a secure return transmission process. Taxpayers also will receive confirmation that the return was received by DOR. ■

DOR e-file

CALL OR CLICK. GET IT QUICK!

Municipal Fiscal Calendar

February 1
Taxpayer: *Deadline for payment of 3rd quarterly tax bill without interest (if mailed before January 1).*

Taxpayer: *Quarterly tax bills — application deadline for property tax abatement. For FY2000 only, communities can extend the date of mailing to January 15, 2000. If the actual bill is mailed after December 31, 1999, applications for abatement are due 30 days after the bills were mailed.*

February 15
Treasurer: *2nd quarter reconciliation of cash (due 45 days after end of quarter).*

February 28
Finance Committee: *Continue budget review and develop recommendations. (This date will vary depending on dates of town meeting.)*

Where in Massachusetts?

Many communities in Massachusetts have sections with their own place names. Test your knowledge of Massachusetts' unofficial place names with this short quiz.

1. What two Massachusetts communities have sections known as "Academy Hill?"

2. Which three towns have areas known as "Allen's Corner?"

3. Where is Artichoke, Massachusetts?

4. Where would you find Annasnoppet?

5. Where is Antassawamock?

Answers: 1. The Brighton section of Boston, and Westminster; **2.** Amesbury, Marion and Walpole; **3.** Newburyport; **4.** Carver; **5.** Mattapoisett. ■

Data Bank Highlight

The Municipal Data Bank is a primary source of financial and demographic information on Massachusetts' cities and towns. There are a number of reports that summarize the results of override, debt exclusion and capital exclusion referenda. The Proposition 2½ Levy Capacity Report, available on the website through the Community Report Builder, allows users to construct reports online that compare communities in terms of override votes and the ability to raise the tax levy through referenda (Levy Capacity). Spreadsheets, which summarize the results of referenda and their impact on tax rates, are available through the Proposition 2½ spreadsheet databases. Other data can be requested from the Data Bank staff.

To obtain Municipal Data Bank information contact Dora Brown or Debbie DePerri at (617) 626-2300. For technical assistance contact Burt Lewis at (617) 626-2358. The World Wide Web address is listed below. ■

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS website at **www.state.ma.us/dls** or by writing to PO Box 9490, Boston, MA 02205-9490.

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Frederick A. Laskey, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

A Publication of the Massachusetts Department of Revenue's Division of Local Services

Y2K — Business As Usual

written by David Davies

When midnight struck on Friday, December 31, 1999, many local officials were not out celebrating. Despite widespread predictions that local government would be among the least prepared for potential Y2K problems, local officials took the issue very seriously. When the fireworks erupted, many municipal managers were on duty in the final phase of maintaining "business as usual" into the year 2000. At midnight in Princeton, for example, town administrative and emergency personnel checked basic systems and by 12:06 a.m. had faxed a Millennium Rollover Weekend checklist into the Division of Local Services (DLS). Other communities did likewise in the early morning hours and throughout Saturday, January 1.

Local Services began its outreach role on Year 2000 preparedness over two years ago. At that time the emphasis was on speaking to associations of municipal officials, and distributing publications to raise the consciousness of managers that this issue needed their early active involvement. In August 1998, Deputy Commissioner Joseph J. Chessey Jr. requested municipal Y2K status reports during the tax rate setting process, and all cities and towns complied. The resulting data was the first comprehensive snapshot of local readiness efforts and what remained to be done. At about the same time, the Secretary of Administration and Finance was concerned that smaller communities might lack the staff or resources to pinpoint their vulnerabilities and plan for remediation. As a result, the Commonwealth's Information Technology Division (ITD) contracted with DLS to provide outreach assistance to the smallest communities. Subsequently, the Legislature asked ITD and DLS to expand the program to communities with up to 20,000 population. (Analysis had shown that most communities over that size had professional information technology staff.) Various municipal groups, especially the Massachusetts Municipal Association, assisted in this effort.

By the program's conclusion, 93 of 119 communities under 5,000 population (78 percent) had asked for and received assistance in conducting an inventory and analyzing hardware, software, devices, and services that might be vulnerable to Y2K errors or disruptions. In the 5,000 to 20,000 population group, 85 of 150 communities (57 percent) signed up for assistance. In summary, more than 50 percent of all communities in the state participated, with 66 percent of all eligible communities taking part in the program. Various cities and towns that declined assistance had aggressive and successful readiness programs underway, so choosing to rely on municipal resources did not necessarily indicate lack of commitment or preparedness. As part of the outreach program, DLS issued two reports for each municipality: a preliminary report highlighting potential issues while communities still had time to make changes or question vendors, and a final report that detailed compliance information.

Local Services developed a Y2K Clearinghouse website to serve a number of purposes. It allowed local officials and taxpayers to understand the details of local compliance efforts. When information on a product or service became available, DLS immediately shared it with others. The website enabled DLS to efficiently employ contractors, interns, and DLS staff to build and implement a database system without their being in one location. If they could access the Internet, they could input their information. The resulting database and website pages generated the reports, forms, model documents, and analysis needed at the local level. Since municipal departments tend to rely on the same vendors and products, all communities could benefit from information gathered from communities receiving DLS assistance. Hundreds of vendors and over 10,000 products and, whenever possible, the Y2K compliance sources were included in the database.

In August 1999, Deputy Commissioner Chessey again asked for a current Y2K status report as part of the tax rate setting process. At year's end 225 communities indicated that all systems would be ready by December 31. Many said contingency plans were in place, and included copies. Even with these assurances, local governments

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LEGAL

in Our Opinion

Encroachment and Property Rights

This year the Appeals Court resolved a dispute between two adjacent landowners in the North End of Boston. The plaintiff claimed the defendant's structure encroached on the courtyard of his property. The case is *Capodilupo v. Vozzella*[1] The plaintiff owned a parcel of registered land that was improved by a five-story brick building. His next door neighbor, Mr. Vozzella, owned a one-story building whose corner walls encroached by about four inches on the plaintiff's lot. The plaintiff initially brought suit in the Land Court and requested the court to order the removal of the offending structure. The defendant claimed the encroachment, if any existed, was trivial in nature and the Land Court should not grant the extreme remedy of removal. When the Land Court ordered removal, the defendant immediately appealed.

The Appeals Court reviewed the law on encroachment. Generally, where a land survey confirms that some structure encroaches on a plaintiff's parcel, a court will grant the injunctive relief of removal. Courts recognize that property rights are paramount and, ordinarily, will demand removal even where the encroachment was unintentional. A court will grant an injunction even if the cost of removal is very high compared to the injury suffered by the property owner whose lot is affected by the encroachment. In extraordinary cases, however, courts have denied injunctive relief and limited plaintiffs to monetary damages. Under rare circumstances, courts have ordered the remedy of damages where the encroachment was made innocently and the cost of removal would be disproportionate to a claimant's harm, or where the rights of the owner could be protected to a significant extent without the need for an injunction.

The defendant, in the case at hand, claimed that his situation did not justify the extreme remedy of removal since the encroachment was very slight. The defendant cited several cases where the Supreme Judicial Court did not order removal. In *Tramonte v. Colarusso*,[2] a brick wall at the third-story on the defendant's land overhung the plaintiff's land about one quarter of an inch. The court ruled that the encroachment was unintentional and so trivial that the plaintiff was entitled only to nominal damages. Then, in *Loughlin v. Wright Machine Company*,[3] the plaintiff owned a six-inch strip of land under which the defendant's sewer pipes ran. The court found that the pipes did not interfere with the plaintiff's use of the surface. In the court's view, the trespass was unintentional and insignificant, and the court awarded only nominal damages to the plaintiff. Later, in *Triulzi v. Costa*,[4] the court found that bricks in the defendant's wall projected a few inches into the abutting wall of the plaintiff. Injunctive relief was denied since there was no injury to the plaintiff. Instead of ordering the removal of the encroaching wall, the court held the plaintiff should receive only nominal damages.

In *Capodilupo*, however, the plaintiff owned registered land. Under the land registration system, there was greater protection from any unrecorded and unregistered liens. Furthermore, there could be no adverse possession by the defendant in conjunction with the plaintiff's registered land.[5] The plaintiff's certificate of title did not indicate that the defendant had any rights in the parcel. The plaintiff, therefore, urged the Appeals Court not to permit the encroachment to continue since it would amount to an encumbrance on his title.

The plaintiff relied on the recent case of *Feinzig v. Ficksman*,[6] where the Appeals Court found a driveway and a retaining wall had encroached on a 195 square foot portion of the Ficksman parcel. Both parcels were registered land. The Appeals Court ordered removal even though necessary access to a garage was thereby denied. The Appeals Court reasoned that the encroachment was significant. In *Feinzig*, the Appeals Court had relied on the then recent decision of *Goulding v. Cook*.[7] Reversing the Appeals Court, the Supreme Judicial Court had ordered Cook to remove a septic system, which encroached on about a 3,000 square foot portion of the plaintiff's lot. While sympathetic to Cook, who had no alternative site for the septic system and believed in good faith he owned the affected land, the Supreme Judicial Court held that the septic system must be removed since it was permanent and spatially significant. Permitting the encroachment to continue would be tantamount to allowing private eminent domain.

In *Capodilupo*, however, the Appeals Court refused to issue an injunction. The Appeals Court noted that the encroachment onto the plaintiff's courtyard where trash receptacles were stored did not deny to the plaintiff any beneficial use of the land. Also, removal of the encroaching walls would render the defendant's house unsafe. Accordingly, the Appeals Court held that removal was not legally required where the encroachment was trivial, notwithstanding that the affected land was registered. ■

written by James Crowley

1. 46 Mass. App. 224 (1999).
2. 256 Mass. 299 (1926).
3. 273 Mass. 310 (1930).
4. 296 Mass. 24 (1936).
5. M.G.L. Ch. 185 § 53.
6. 42 Mass. App. 113 (1997).
7. 422 Mass. 276 (1996).

Focus on Municipal Finance

FY1998 Municipal Spending

Has municipal spending increased with the strong economy in Massachusetts? This article compares FY1998 general fund expenditures with those of FY1997 and also looks at trends from FY1990 to FY1998. General fund expenditures increased by 5.3 percent from FY1997 to FY1998, quite a bit more than the 3.7 percent increase from FY1996 to FY1997. From FY1990 to FY1998, the total annual expenditures increased by 31.2 percent, while inflation over the same period was 23.9 percent.

When analyzed by category, it appears that several categories that had been decreasing throughout the 1990s received substantial increases in FY1998. Health and welfare increased the most,[1] however, in the period from FY1990 to FY1998 spending for health and welfare had decreased by 44.9 percent. Most of the decrease has occurred because of communities (most notably Boston, Springfield and Worcester) divesting from municipal hospitals. As a percent of total spending, health and welfare has decreased from 4.2 percent in FY1990 to 1.8 percent in FY1998. Another category with a large increase from FY1997 to FY1998 is debt service (8.2 percent). Spending for this category increased by 27.3 percent over the eight-year period, but has remained at about 6 percent of total spending from FY1990. Another unusually large increase occurred in fire, an increase of 7.6 percent. The increase over the eight-year period was 26 percent. As a percent of the total spending, fire has remained at approximately 6 percent. General government also had a large increase in spending in FY1998 (7.0 percent). However, over the eight-year period spending for this category increased only 21.5 percent. General government as a percent of total spending decreased from 5.5 percent in FY1990 to 5.1 percent in FY1998. Spending in the other public safety category (emergency medical services, inspectional services, dog officer, etc.) increased by 5 percent over FY1997 but actually decreased by 2.1 percent from FY1990 to FY1998. Spending for this category was 1.7 percent of the total budget in FY1990 and decreased to 1.3 percent by FY1998.

As might be expected with the increased state funding as well as increases in required local spending under Education Reform, spending for education increased by 7.0 percent from FY1997 to FY1998 and by 52.6

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Table 1

State Total General Fund Expenditures by Function

Expenditures	FY90	FY95	FY97	FY98	Change FY97–FY98	Change FY90–FY98
General Government	456,861,081	456,238,354	518,532,839	555,040,565	7.0%	21.5%
Police	620,844,165	712,861,026	794,934,951	839,765,365	5.6%	35.3%
Fire	516,595,783	562,154,754	604,995,094	651,073,145	7.6%	26.0%
Other Public Safety	142,709,003	142,091,278	133,014,765	139,643,630	5.0%	–2.1%
Education	3,440,838,075	4,262,415,710	4,906,761,084	5,252,423,354	7.0%	52.6%
Highways	333,862,310	316,406,981	357,608,041	362,807,515	1.5%	8.7%
Other Public Works	426,988,871	395,180,294	407,523,805	418,542,146	2.7%	–2.0%
Health and Welfare	348,983,201	312,041,861	138,609,653	192,299,004	38.7%	–44.9%
Culture and Recreation	197,075,557	205,558,424	233,307,372	244,838,340	4.9%	24.2%
Debt Service	522,773,113	550,563,716	614,950,859	665,290,478	8.2%	27.3%
Fixed costs	986,412,830	1,117,739,274	1,161,312,799	1,183,618,437	1.9%	20.0%
Intergovernmental	229,356,549	312,124,966	330,533,865	323,428,313	–2.1%	41.0%
Other	63,874,234	48,766,238	128,843,698	45,654,151	–64.6%	–28.5%
Total	**8,287,174,772**	**9,394,142,876**	**10,330,928,825**	**10,874,424,443**	**5.3%**	**31.2%**

Note: General fund expenditures do not include capital outlay or construction.

General Fund Expenditures

Municipality	GENERAL FUND EXPENDITURES (in 000s) FY97 total	FY98 total	% change FY97–FY98	PER CAPITA Total FY98	Rank
Abington	19,906	21,541	8.2%	1,448	228
Acton	33,073	35,083	6.1%	1,827	88
Acushnet	11,433	12,171	6.5%	1,204	290
Adams	7,504	7,697	2.6%	878	338
Agawam	39,230	41,689	6.3%	1,559	181
Alford	635	793	24.8%	1,948	66
Amesbury	24,480	24,125	–1.4%	1,501	206
Amherst	32,430	34,594	6.7%	981	325
Andover	62,867	65,375	4.0%	2,080	52
Aquinnah	1,254	1,401	11.7%	5,602	2
Arlington	61,014	64,961	6.5%	1,496	209
Ashburnham	6,043	6,166	2.0%	1,106	311
Ashby	2,751	2,785	1.2%	929	331
Ashfield	2,226	2,467	10.8%	1,429	234
Ashland	19,509	20,448	4.8%	1,517	197
Athol	7,503	7,699	2.6%	690	346
Attleboro	63,992	69,273	8.3%	1,751	108
Auburn	21,468	21,829	1.7%	1,401	242
Avon	8,338	8,840	6.0%	1,914	72
Ayer	14,184	15,656	10.4%	2,083	51
Barnstable	70,947	73,584	3.7%	1,628	147
Barre	5,226	5,037	–3.6%	1,028	319
Becket	2,374	2,564	8.0%	1,708	119
Bedford	31,692	33,849	6.8%	2,427	25
Belchertown	17,998	19,860	10.3%	1,663	144
Bellingham	23,286	24,305	4.4%	1,532	190
Belmont	48,536	50,340	3.7%	2,106	47
Berkley	6,842	7,528	10.0%	1,395	247
Berlin	3,512	3,752	6.8%	1,563	177
Bernardston	1,921	2,144	11.6%	1,027	320
Beverly	62,115	66,006	6.3%	1,691	128
Billerica	68,556	71,719	4.6%	1,811	93
Blackstone	6,742	7,178	6.5%	856	341
Blandford	1,239	1,305	5.3%	1,158	301
Bolton	6,294	7,130	13.3%	2,127	43
Boston	1,354,245	1,391,591	2.8%	2,505	22
Bourne	25,586	26,828	4.9%	1,490	213
Boxborough	7,842	8,828	12.6%	2,120	45
Boxford	12,563	13,532	7.7%	1,497	207
Boylston	5,126	5,763	12.4%	1,482	217
Braintree	51,964	53,951	3.8%	1,546	186
Brewster	18,722	19,547	4.4%	2,028	58
Bridgewater	19,828	22,123	11.6%	902	334
Brimfield	4,399	4,566	3.8%	1,457	225
Brockton	156,034	165,568	6.1%	1,777	100
Brookfield	4,177	4,327	3.6%	1,472	221
Brookline	117,217	119,419	1.9%	2,215	37
Buckland	2,132	2,150	0.8%	1,114	307
Burlington	51,248	54,329	6.0%	2,293	29
Cambridge	226,567	239,088	5.5%	2,561	18
Canton	32,708	34,459	5.4%	1,667	140
Carlisle	10,808	11,642	7.7%	2,446	23
Carver	19,077	19,592	2.7%	1,682	131
Charlemont	1,793	1,866	4.1%	1,504	203
Charlton	7,971	8,634	8.3%	835	342
Chatham	23,928	18,009	–24.7%	2,537	20
Chelmsford	54,621	58,603	7.3%	1,735	113
Chelsea	66,699	72,977	9.4%	2,661	16
Cheshire	2,619	3,526	34.6%	1,031	318
Chester	1,403	1,403	0.0%	1,129	306
Chesterfield	1,370	1,394	1.8%	1,239	280
Chicopee	80,313	86,139	7.3%	1,594	163
Chilmark	2,856	3,032	6.1%	3,757	5
Clarksburg	2,073	2,184	5.4%	1,304	269
Clinton	18,474	19,486	5.5%	1,493	210
Cohasset	15,029	15,915	5.9%	2,243	34
Colrain	1,772	2,531	42.9%	1,380	251
Concord	35,472	37,593	6.0%	2,104	49
Conway	2,818	3,070	8.9%	1,857	83
Cummington	1,115	1,115	0.1%	1,420	235
Dalton	7,629	7,956	4.3%	1,161	300
Danvers	43,269	46,873	8.3%	1,861	80
Dartmouth	32,923	34,656	5.3%	1,216	288
Dedham	41,870	44,422	6.1%	1,873	78
Deerfield	6,514	7,416	13.9%	1,505	202
Dennis	22,877	24,863	8.7%	1,692	127
Dighton	6,196	6,495	4.8%	1,094	313
Douglas	9,402	10,370	10.3%	1,563	178
Dover	11,763	11,766	0.0%	2,147	41
Dracut	30,939	32,717	5.7%	1,163	297
Dudley	5,781	6,315	9.2%	644	349
Dunstable	3,181	3,023	–5.0%	1,106	310
Duxbury	26,227	28,095	7.1%	1,830	86
E. Bridgewater	18,931	21,349	12.8%	1,697	125
E. Brookfield	1,484	1,601	7.9%	791	344
E. Longmeadow	20,678	22,081	6.8%	1,582	167
Eastham	10,891	11,220	3.0%	2,229	35
Easthampton	20,078	19,786	–1.5%	1,266	275
Easton	29,622	32,129	8.5%	1,508	201
Edgartown	12,963	13,643	5.2%	3,705	6
Egremont	2,078	2,133	2.7%	1,740	112
Erving	2,788	2,759	–1.1%	2,029	57
Essex	4,966	5,270	6.1%	1,547	185
Everett	68,645	72,257	5.3%	2,069	53
Fairhaven	19,629	22,274	13.5%	1,398	244
Fall River	129,789	136,070	4.8%	1,501	205
Falmouth	52,734	56,547	7.2%	1,799	95
Fitchburg	63,704	67,302	5.6%	1,682	132
Florida	1,467	1,564	6.5%	2,145	42
Foxborough	25,060	25,837	3.1%	1,577	173
Framingham	109,178	113,897	4.3%	1,762	104
Franklin	39,297	42,317	7.7%	1,493	211
Freetown	9,450	10,269	8.7%	1,162	299
Gardner	26,091	27,988	7.3%	1,381	250
Georgetown	10,203	11,530	13.0%	1,562	179
Gill	1,364	1,356	–0.6%	856	340
Gloucester	44,880	46,783	4.2%	1,577	171
Goshen	1,120	1,153	3.0%	1,364	256
Gosnold	481	553	15.1%	5,706	1
Grafton	15,894	17,190	8.2%	1,251	277
Granby	7,107	7,478	5.2%	1,275	272
Granville	2,665	2,820	5.8%	1,993	64
Grt. Barrington	10,026	10,603	5.8%	1,397	245
Greenfield	28,042	29,410	4.9%	1,610	153
Groton	11,922	12,881	8.0%	1,399	243
Groveland	6,772	6,753	–0.3%	1,156	302
Hadley	6,861	6,855	–0.1%	1,543	188
Halifax	8,803	9,605	9.1%	1,341	260
Hamilton	10,821	11,484	6.1%	1,522	195
Hampden	5,540	5,791	4.5%	1,222	286
Hancock	859	887	3.3%	1,543	187
Hanover	22,060	23,918	8.4%	1,801	94
Hanson	10,854	11,240	3.6%	1,154	304
Hardwick	2,703	2,716	0.5%	1,035	317
Harvard	10,533	11,082	5.2%	894	336
Harwich	25,427	26,577	4.5%	2,259	32
Hatfield	4,318	5,171	19.7%	1,609	155
Haverhill	80,730	88,032	9.0%	1,591	165
Hawley	431	457	5.9%	1,410	239
Heath	1,111	1,171	5.4%	1,597	160
Hingham	34,171	35,831	4.9%	1,753	106
Hinsdale	1,874	2,059	9.9%	1,110	309
Holbrook	16,052	17,756	10.6%	1,596	161
Holden	16,872	17,764	5.3%	1,170	296
Holland	2,855	3,167	10.9%	1,514	198
Holliston	21,758	23,782	9.3%	1,752	107
Holyoke	86,428	91,238	5.6%	2,227	36
Hopedale	8,876	9,455	6.5%	1,672	136
Hopkinton	19,700	21,551	9.4%	1,899	74
Hubbardston	3,026	3,286	8.6%	920	332
Hudson	28,811	30,427	5.6%	1,709	118
Hull	18,790	19,195	2.2%	1,823	89
Huntington	1,766	1,867	5.7%	882	337
Ipswich	17,994	19,952	10.9%	1,576	174
Kingston	15,600	17,509	12.2%	1,594	162
Lakeville	10,094	10,836	7.3%	1,218	287
Lancaster	5,718	6,250	9.3%	935	330
Lanesborough	4,615	4,645	0.7%	1,530	191
Lawrence	122,768	130,343	6.2%	1,878	77
Lee	8,766	8,888	1.4%	1,571	175
Leicester	13,938	14,508	4.1%	1,389	248
Lenox	10,309	11,352	10.1%	2,191	38
Leominster	49,770	53,460	7.4%	1,330	264
Leverett	2,869	2,644	–7.8%	1,441	229
Lexington	62,369	66,562	6.7%	2,249	33
Leyden	792	786	–0.8%	1,099	312
Lincoln	14,956	15,983	6.9%	2,018	61
Littleton	13,570	13,392	–1.3%	1,687	129
Longmeadow	27,699	29,313	5.8%	1,993	63
Lowell	180,189	205,238	13.9%	2,031	56
Ludlow	27,311	28,934	5.9%	1,526	194
Lunenburg	12,838	13,585	5.8%	1,434	233
Lynn	144,492	164,989	14.2%	2,035	55
Lynnfield	18,420	19,309	4.8%	1,700	121
Malden	86,483	78,386	–9.4%	1,489	216
Manchester	10,933	12,836	17.4%	2,349	27
Mansfield	33,346	35,813	7.4%	1,861	79
Marblehead	31,499	33,428	6.0%	1,663	142
Marion	9,229	9,660	4.7%	1,859	81
Marlborough	52,964	54,897	3.6%	1,650	145
Marshfield	32,972	35,063	6.3%	1,490	214
Mashpee	24,038	26,718	11.1%	2,860	15
Mattapoisett	9,606	10,198	6.2%	1,610	152
Maynard	17,295	18,239	5.5%	1,743	111
Medfield	20,845	22,112	6.1%	1,886	75
Medford	78,829	81,603	3.5%	1,458	224
Medway	16,961	19,935	17.5%	1,698	123
Melrose	38,794	40,804	5.2%	1,491	212
Mendon	4,957	5,832	17.7%	1,231	283
Merrimac	6,892	7,384	7.1%	1,238	282

Municipality	GENERAL FUND EXPENDITURES (in 000s) FY97 total	FY98 total	% change FY97–FY98	PER CAPITA Total FY98	Rank
Methuen	59,069	64,116	8.5%	1,527	192
Middleborough	29,284	31,129	6.3%	1,580	168
Middlefield	591	612	3.6%	1,375	253
Middleton	9,689	9,897	2.1%	1,639	146
Milford	40,889	42,950	5.0%	1,679	134
Millbury	15,008	16,232	8.2%	1,311	268
Millis	11,490	14,067	22.4%	1,735	114
Millville	2,154	2,372	10.1%	939	329
Milton	39,578	41,326	4.4%	1,610	151
Monroe	337	349	3.6%	3,145	9
Monson	12,963	14,183	9.4%	1,772	102
Montague	8,199	8,660	5.6%	1,044	315
Monterey	1,576	1,684	6.9%	2,103	50
Montgomery	1,109	826	–25.5%	1,013	322
Mt. Washington	271	275	1.6%	2,115	46
Nahant	6,529	6,390	–2.1%	1,683	130
Nantucket	32,110	30,455	–5.2%	3,883	3
Natick	57,040	63,410	11.2%	2,014	62
Needham	52,633	57,136	8.6%	2,046	54
New Ashford	284	296	4.5%	1,560	180
New Bedford	158,036	160,215	1.4%	1,663	143
New Braintree	950	991	4.3%	1,024	321
New Marlborough	2,162	2,236	3.4%	1,784	97
New Salem	1,166	1,130	–3.1%	1,379	252
Newbury	8,714	8,951	2.7%	1,451	227
Newburyport	26,341	25,367	–3.7%	1,509	199
Newton	149,307	156,248	4.6%	1,945	67
Norfolk	13,733	14,471	5.4%	1,371	255
N Adams	26,334	27,082	2.8%	1,748	110
N Andover	40,580	44,683	10.1%	1,783	98
N. Attleborough	35,851	40,226	12.2%	1,553	184
N Brookfield	6,352	6,585	3.7%	1,359	258
N Reading	22,613	23,946	5.9%	1,811	92
Northampton	44,027	46,106	4.7%	1,608	156
Northborough	21,016	22,518	7.1%	1,698	122
Northbridge	18,482	20,192	9.3%	1,439	231
Northfield	3,253	3,273	0.6%	1,114	308
Norton	21,365	22,831	6.9%	1,418	236
Norwell	19,152	20,883	9.0%	2,104	48
Norwood	72,393	72,450	0.1%	2,514	21
Oak Bluffs	10,718	10,870	1.4%	3,327	7
Oakham	1,411	1,542	9.2%	919	333
Orange	10,811	11,964	10.7%	1,605	158
Orleans	13,944	13,772	–1.2%	2,165	40
Otis	2,217	2,398	8.2%	2,263	31
Oxford	16,886	17,651	4.5%	1,325	265
Palmer	19,814	20,908	5.5%	1,763	103
Paxton	6,904	7,330	6.2%	1,750	109
Peabody	77,650	84,136	8.4%	1,710	117
Pelham	1,940	2,042	5.3%	1,436	232
Pembroke	20,641	22,255	7.8%	1,339	261
Pepperell	9,071	9,575	5.6%	873	339
Peru	811	866	6.9%	1,144	305
Petersham	1,273	1,517	19.2%	1,293	270
Phillipston	1,114	1,090	–2.2%	673	347
Pittsfield	70,538	73,247	3.8%	1,609	154
Plainfield	850	856	0.7%	1,405	241
Plainville	9,083	9,677	6.5%	1,316	267
Plymouth	78,622	82,891	5.4%	1,664	141
Plympton	3,873	4,027	4.0%	1,504	204

Municipality	GENERAL FUND EXPENDITURES (in 000s) FY97 total	FY98 total	% change FY97–FY98	PER CAPITA Total FY98	Rank
Princeton	4,542	4,909	8.1%	1,439	230
Provincetown	11,724	11,575	–1.3%	3,092	10
Quincy	150,694	158,738	5.3%	1,851	84
Randolph	44,085	47,590	8.0%	1,557	182
Raynham	11,384	12,464	9.5%	1,155	303
Reading	37,933	41,032	8.2%	1,756	105
Rehoboth	9,563	10,139	6.0%	1,056	314
Revere	73,264	79,711	8.8%	1,913	73
Richmond	2,753	2,813	2.2%	1,728	116
Rochester	7,404	7,625	3.0%	1,677	135
Rockland	26,633	25,947	–2.6%	1,463	223
Rockport	15,570	17,401	11.8%	2,276	30
Rowe	1,430	1,412	–1.3%	3,786	4
Rowley	6,262	6,619	5.7%	1,239	281
Royalston	684	773	13.0%	632	350
Russell	1,385	1,448	4.6%	901	335
Rutland	4,618	5,176	12.1%	948	327
Salem	65,836	68,486	4.0%	1,786	96
Salisbury	8,712	9,049	3.9%	1,250	278
Sandisfield	1,332	1,197	–10.2%	1,830	87
Sandwich	31,366	33,340	6.3%	1,779	99
Saugus	39,159	42,341	8.1%	1,593	164
Savoy	920	944	2.6%	1,362	257
Scituate	28,764	29,749	3.4%	1,692	126
Seekonk	19,676	21,163	7.6%	1,587	166
Sharon	30,310	33,212	9.6%	1,960	65
Sheffield	4,608	4,668	1.3%	1,579	170
Shelburne	2,127	2,093	–1.6%	1,040	316
Sherborn	10,264	10,680	4.1%	2,582	17
Shirley	6,870	7,642	11.2%	996	324
Shrewsbury	36,235	41,004	13.2%	1,475	219
Shutesbury	2,978	3,140	5.4%	1,846	85
Somerset	25,941	26,223	1.1%	1,481	218
Somerville	115,540	123,726	7.1%	1,670	139
S. Hadley	20,440	21,794	6.6%	1,275	273
Southampton	6,395	6,779	6.0%	1,372	254
Southborough	13,014	14,958	14.9%	1,918	70
Southbridge	23,177	24,612	6.2%	1,410	240
Southwick	8,116	8,418	3.7%	1,013	323
Spencer	7,692	8,305	8.0%	668	348
Springfield	297,848	300,006	0.7%	2,025	59
Sterling	7,792	8,317	6.7%	1,163	298
Stockbridge	3,570	3,607	1.1%	1,570	176
Stoneham	31,805	32,768	3.0%	1,472	220
Stoughton	38,428	40,313	4.9%	1,457	226
Stow	8,933	9,940	11.3%	1,701	120
Sturbridge	11,656	12,001	3.0%	1,490	215
Sudbury	34,518	37,674	9.1%	2,423	26
Sunderland	3,827	4,317	12.8%	1,231	284
Sutton	10,745	11,816	10.0%	1,555	183
Swampscott	26,861	28,064	4.5%	2,024	60
Swansea	17,992	18,423	2.4%	1,184	293
Taunton	80,034	82,856	3.5%	1,577	172
Templeton	4,170	4,168	–0.1%	586	351
Tewksbury	46,198	45,914	–0.6%	1,579	169
Tisbury	10,402	10,581	1.7%	3,045	12
Tolland	592	520	–12.3%	1,774	101
Topsfield	8,958	9,621	7.4%	1,538	189
Townsend	8,843	8,930	1.0%	974	326
Truro	5,555	5,954	7.2%	3,310	8

Municipality	GENERAL FUND EXPENDITURES (in 000s) FY97 total	FY98 total	% change FY97–FY98	PER CAPITA Total FY98	Rank
Tyngsborough	15,251	16,757	9.9%	1,628	148
Tyringham	713	772	8.2%	2,126	44
Upton	6,187	7,427	20.0%	1,345	259
Uxbridge	15,538	15,963	2.7%	1,410	238
Wakefield	38,008	39,780	4.7%	1,606	157
Wales	1,707	2,216	29.8%	1,417	237
Walpole	32,101	34,135	6.3%	1,508	200
Waltham	84,183	89,367	6.2%	1,527	193
Ware	13,525	14,264	5.5%	1,466	222
Wareham	31,771	32,993	3.8%	1,670	138
Warren	3,511	3,648	3.9%	800	343
Warwick	871	914	4.9%	1,196	291
Washington	848	762	–10.2%	1,226	285
Watertown	56,777	60,262	6.1%	1,858	82
Wayland	29,694	31,509	6.1%	2,553	19
Webster	18,455	20,124	9.0%	1,249	279
Wellesley	49,543	51,336	3.6%	1,916	71
Wellfleet	7,771	7,961	2.4%	2,867	14
Wendell	1,176	1,227	4.3%	1,283	271
Wenham	5,697	6,185	8.6%	1,383	249
W. Boylston	9,481	10,839	14.3%	1,612	150
W. Bridgewater	10,906	11,690	7.2%	1,734	115
W. Brookfield	2,520	2,601	3.2%	707	345
W. Newbury	5,213	5,614	7.7%	1,396	246
W. Springfield	44,899	46,968	4.6%	1,813	90
W. Stockbridge	2,414	2,414	0.0%	1,671	137
W. Tisbury	6,590	6,847	3.9%	2,964	13
Westborough	34,361	37,518	9.2%	2,432	24
Westfield	59,893	63,119	5.4%	1,680	133
Westford	29,648	33,204	12.0%	1,698	124
Westhampton	2,300	2,355	2.4%	1,603	159
Westminster	7,305	7,927	8.5%	1,182	294
Weston	31,320	32,899	5.0%	3,089	11
Westport	15,933	17,129	7.5%	1,210	289
Westwood	29,319	30,716	4.8%	2,334	28
Weymouth	67,676	69,683	3.0%	1,269	274
Whatley	2,641	2,788	5.6%	1,920	69
Whitman	12,891	13,416	4.1%	943	328
Wilbraham	16,081	16,589	3.2%	1,336	262
Williamsburg	3,008	3,052	1.5%	1,189	292
Williamstown	9,132	9,951	9.0%	1,252	276
Wilmington	36,786	38,748	5.3%	1,882	76
Winchendon	16,229	17,781	9.6%	1,938	68
Winchester	42,341	44,442	5.0%	2,185	39
Windsor	978	1,003	2.5%	1,321	266
Winthrop	21,613	22,946	6.2%	1,336	263
Woburn	64,034	60,216	–6.0%	1,624	149
Worcester	285,899	301,691	5.5%	1,812	91
Worthington	1,348	1,417	5.1%	1,173	295
Wrentham	13,842	15,347	10.9%	1,496	208
Yarmouth	33,057	34,677	4.9%	1,521	196
State totals	**10,330,928**	**10,874,424**	**5.2%**	**1,769**	

Table 2

FY1998 Municipal Spending
➡ *continued from page three*

percent from FY1990 to FY1998. As a percent of the total spending, education has increased from 41.5 percent in FY1990 to 48.3 percent in FY1998. Police spending increased by 5.6 percent over FY1997 and 35.3 percent over the eight-year period. Spending for police, as a percent of the total spending, has remained at about 7.7 percent. Spending for highways increased by only 1.5 percent over FY1997, and over the eight-year period increased by a total of only 8.7 percent. As a percent of the total, highway spending decreased from 4 percent in FY1990 to 3.3 percent in FY1998. Spending for other public works (waste and sewerage collection and disposal, cemetery, etc.) increased by 2.7 percent from FY1997 to FY1998 but decreased by 2 percent over the eight years. As a percent of total spending, this category declined from 5.2 percent in FY1990 to 3.8 percent in FY1998. Spending for culture and recreation which includes public libraries increased by 4.9 percent from FY1997 to FY1998 but only 24.2 percent over the eight-year period. As a percent of total spending, it has remained relatively stable at about 2.3 percent. Fixed costs such as employee health insurance and retirement increased by 1.9 percent in FY1998 and 20 percent from FY1990 to FY1998. They have declined from 11.9 percent of total spending in FY1990 to 10.9 percent in FY1998.

Table 1 shows the amount of expenditures for each functional category in FY1990, FY1995, FY1997 and FY1998. It also shows the percentage change for each function between FY1997 and FY1998 and between FY1990 and FY1998. It includes the statewide total general fund expenditures for each year, as well as the statewide percentages.

Communities

Table 2 shows FY1997 and FY1998 total general fund expenditures for all 351 cities and towns. It also shows the percent change from FY1997 to FY1998, general fund expenditures per capita and the rank by per capita expenditures. The statewide average per capita general fund spending is $1,769.

The top 10 communities in spending per capita are small towns. Eight of the 10 are located on the Cape and Islands. These communities have higher per capita expenditures because they provide services for large summertime populations in addition to their year-round residents. They all rank in the top 25 for Equalized Valuations (EQV) per capita. The numbers in parentheses are the community's rank by EQV per capita. Gosnold (Elizabeth Islands) has the highest per capita expenditures at $5,706. It ranks lowest in the state for population and second highest for EQV per capita. The other nine in order by expenditures per capita are Aquinnah (3), Nantucket (4), Rowe (5), Chilmark (1), Edgartown (6), Oak Bluffs (14), Truro (7), Monroe (25) and Provincetown (21). Aquinnah, Monroe and Rowe have very small populations. Rowe has a defunct nuclear power plant adding to the property tax base, while Monroe has a dam.

Templeton (329) spent the least per capita, $586. The next nine communities ranked in order on expenditures per capita are Royalston (286), Dudley (323), Spencer (325), Phillipston (275), Athol (339), West Brookfield (252), East Brookfield (226), Warren (305) and Charlton (249). The communities' rank on EQV per capita, which is not as strongly correlated as that of the communities at the top of the list when ranked on expenditures per capita, is in parentheses. All of the lowest spending communities are located in western Worcester County in a corridor from the New Hampshire border to the Connecticut boundary. All belong to K-12 regional school districts with the state aid to education going directly to the districts, thereby significantly reducing the local expenditures per capita.

Thirty communities spent less in FY1998 than they had in the prior fiscal year. Most of the communities had differences of 3 percent or less (17) but two communities had large decreases, Montgomery (25.5 percent) and Chatham (24.7 percent). Montgomery renovated their town hall in FY1997, temporarily increasing spending. FY1998 is normalized. In Chatham a significant court judgment in FY1997 increased the general fund spending in that year.

Five communities increased their general fund spending by more than 20 percent from FY1997 to FY1998: Colrain (42.9 percent), Cheshire (34.6 percent), Wales (29.8 percent), Alford (24.8 percent), and Millis (22.4 percent). All but Millis are communities with expenditures of less than $4 million annually, where one-time expenses can have a significant impact. Colrain bought a fire truck and remodeled their town hall in FY1998. Cheshire and Alford had Chapter 90 funds to upgrade highways. Wales' additional spending resulted from a combination of additional special elections, public building maintenance, and costs incurred due to problems with the wells servicing town hall and a local school. In Millis, most of the increase in expenditures was caused by the recognition of a $2.4 million school bond refunding as revenue. ■

written by Jean McCarthy

1. Much of that increase was due to the fact that the City of Boston accounted for the $60 million Public Health Commission in this category this year when it was included in Other last year. The Other category decreased by 64.6 percent for the same reason.

DLS UPDATE

Sewer Rate Relief Fund

The FY2000 appropriation for Sewer Rate Relief is $53,914,000. To receive Sewer Rate Relief Funds an entity must have eligible indebtedness. Eligible indebtedness is defined as permanent debt issued on or after January 1, 1990, for a term greater than five years to finance or refinance the costs of planning, design, or construction of any water pollution control project. The project must comply with the Federal Water Pollution Control Act. Projects that received state grants are ineligible, and projects financed through the Massachusetts Water Pollution Abatement Trust (MWPAT) are also ineligible unless an applicant's total issues through MWPAT exceeded $50,000,000 on June 30, 1995.

Generally speaking, awards from the Sewer Rate Relief Fund are computed at 20 percent of the applicant's eligible debt service. DLS develops guidelines to certify indebtedness and to ensure the equitable distribution of funds in consultation with the Department of Environmental Protection. Application forms were due by December 17, 1999. The local board or official responsible for setting sewer rates must submit certification that the funds have been or will be used to reduce sewer charges to the DLS before funds can be distributed. DLS has debt schedules on file for cities, towns and districts that received Sewer Rate Relief Funds last year. For those communities, DLS will compute the FY2000 award based on the information on file in its office. However, if there are additional new projects or changes with respect to an approved project, such as a bond refunding, then additional documentation will be required to process the FY2000 award.

The Sewer Rate Relief Fund was established in 1993 to help mitigate the escalating costs of sewer service in Massachusetts. DLS will issue award letters in January and make payments by March 31, 2000. Administration of this program is assigned to James R. Johnson, Director of Accounts. Questions should be directed to Christopher Harrington at (617) 626-2397.

FY2000 Cherry Sheet Manuals Available

Mayors and selectmen received copies of the FY2000 Cherry Sheet Manual in mid-January. The Division of Local Services (DLS) developed the manual to guide public officials, as well as private citizens and organizations interested in municipal finance, through the FY2000 Cherry Sheet. The manual presents in-depth information, including formulas and statutory citations, on each of the programs which comprise the municipal and regional Cherry Sheets. Organized into six sections, the manual includes an introduction, a description of municipal and regional receipt programs, a description of assessments, the FY2000 payment schedule, and other cherry Sheet resources available through DLS. The manual provides sample copies of all three Cherry Sheet forms showing the FY2000 state totals. Municipal officials can request additional copies by contacting Elaine Lombardi at (617) 626-2337. Cherry Sheet program descriptions are also available through the DLS home page on the Internet. The address is on page 8.

New Deputy Bureau Chief

The Bureau of Local Assessment has a new Deputy Bureau Chief. Brenda Cameron, former Director of Assessing in Stoughton, accepted her new responsibilities on January 3, 2000. Brenda worked as a property tax appraiser in the Bureau of Local Assessment from 1985 to 1990. She left BLA to become the Assistant Assessor in Walpole and subseqently Director of Assessing in Stoughton. Brenda holds the Massachusetts Association of Assessing Officer's designation, Massachusetts Accredited Assessor (MAA) and Residential Massachusetts Assessor (RMA). In addition, she graduated from New England School of Law in May 1999. "Brenda brings a wonderful blend of talents to her new position", said Chief of the Bureau of Local Assessment Marilyn H. Browne. "She is a welcome addition to the Division." ■

Y2K — Business As Usual

➡ *continued from page one*

recognized that citizens and employees would want to know as soon as possible that Monday, January 3, 2000 would be "business as usual" in city and town halls. As part of an overall effort to report on system operational status, DLS invited cities and towns to fax or phone in their status as early as possible on Saturday, January 1. Over 160 communities did so and reported no significant problems. This fact was reported to the media, along with similar news from other public and private sectors. Sunday newspapers reported the major Y2K hurdle had been cleared and all concerned breathed a collective sigh of relief. ■

Municipal Fiscal Calendar

March 1

DOE: *Notify communities of estimated net school spending requirement for the next year.*

Personal Property Owner: *Submit form of list. This is a listing of all personal property filed by the owner with the Assessors each year for the purpose of determining taxes in the next fiscal year.*

Non-Profit Organization: *Final filing date for 3-ABC forms. These must be filed on or before March 1 (this deadline may be extended by the assessors). In no event should the forms be filed later than 30 days after the tax bill is mailed.*

March 31

State Treasurer: *Notification of quarterly local aid payment on or before March 31.*

New Massachusetts Withholding Tax Schedules

With the passage of the FY2000 budget, the state income tax will decrease from 5.95 percent to 5.75 percent over three years. For treasurers' and payroll offices, this reduction in the state income tax means new state withholding tax schedules. The Department of Revenue publishes the withholding tax schedules and instructions in the Circular M publication. The Circular M for January 1–December 31, 2000 is available on DOR's website and will only be mailed upon request. For cities, towns and school districts, Local Services established a link from our website to DOR's website for state tax withholding information.

In addition, DOR's *Taxpayer Advisory Bulletin* publication mailing list is being revamped. The March 2000 issue will be the last mailing under the old mailing list. To receive future issues of the *Taxpayer Advisory Bulletin*, a request must be sent to the Publishing Services Office, PO Box 9481, Boston, MA 02205-9481. ■

Correction

The article entitled "Why Become a City?" in the November issue of City & Town missed the fact that Agawam adopted a manager-council form of government in 1971 while maintaining the name "town," and that Methuen's change happened in 1972. Southbridge followed in 1973 and Franklin in 1978. ■

Data Bank Highlight

Information on municipal expenditures is available both through the Municipal Data Bank page on the DLS website, and by e-mail or hard copy from the Data Bank staff. Both current and historical data for all Massachusetts cities and towns can be downloaded in spreadsheets from the Municipal Spreadsheet Database. Users can design reports online for current data using the Community Report Builder. The Report Builder can select comparable communities based on total expenditures or specific expenditures. It also allows communities which are similar in population, income, assessed value of property, etc., to be compared in terms of expenditures overall, or for a specific function like education or police.

To obtain information from the Municipal Data Bank, visit our website, listed below, or call Dora Brown or Debbie DePerri at (617) 626-2300. For technical assistance, contact Medi Ba at (617) 626-2355. ■

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS website at **www.state.ma.us/dls** or by writing to PO Box 9490, Boston, MA 02205-9490.

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Frederick A. Laskey, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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Audits Reveal Results of Ed Reform Spending

written by Dieter Wahl

Massachusetts's cumulative state investment in K–12 education under Chapter 70 for the 1994–2000 period amounts to $14.6 billion. The Education Management Accountability Board (EMAB), established by the governor in 1997 to monitor progress under Education Reform, has reviewed and accepted audits of 18 school districts: Auburn, Braintree, Brockton, Cambridge, East Longmeadow, Everett, Gardner, Lexington, Lowell, Malden, Milton, New Bedford, North Attleborough, North Reading, Salem, Triton Regional, Woburn and Worcester. These districts represent approximately 14 percent of the state's total foundation enrollment and 14 percent of net school spending in Fiscal Year 1998. A team of auditors from the Department of Revenue's Division of Local Services, working in conjunction with the Department of Education (DOE), performed the audits.

How has the money been spent? Salary spending has increased by 30.3 percent, benefit spending has increased by 12.4 percent and non-salary spending has increased by 75.2 percent for the group of audited school districts. Books and equipment, special needs tuition, extracurricular activities, maintenance and professional development are included as non-salary expenses. The largest increase in spending in the audited districts was in professional development, which rose over 400 percent.

All of the districts have increased the number of teachers significantly, except for one community where the number of teachers actually decreased. Despite increased enrollment in many of the districts, most systems achieved significant improvement in student to teacher ratios. In addition to decreasing class sizes, districts restored courses such as art, music and other enrichment opportunities for students. Although there has been a substantial reinvestment in textbooks and other educational supplies, only 6 of 18 districts had met the foundation budget spending for this category. The foundation budget is a target, not a requirement.

To establish a more responsive, professional cadre of principals who would focus on the results of student performance, the Education Reform Act removed principals from collective bargaining units. Superintendents have been notably loath to exercise this power to vary compensation and contract terms for individual principals based on performance. There are several reasons behind superintendents' failure to utilize this tool including the additional work required to establish differentiated contracts, the necessity of strong evaluation systems and the courage to implement unpopular change. Nearly all schools have created school improvement plans but many plans do not address student performance or test results.

How has the money been spent?

Both state and national studies have demonstrated that students in the United States do not attend school to the same extent as students in other countries on either a daily or an annual basis. One goal of the Education Reform Act is to make Massachusetts' students more internationally competitive by increasing the amount of instructional time. Although school districts have met the minimum state Time & Learning requirement, few have exceeded this requirement. DOE requires 990 hours in school per year for middle and high school students and 900 hours for elementary school students.

One popular assumption regarding spending and student achievement is that student achievement improves as spending increases. Another common belief is that since different achievement tests measure different areas, the results should not be compared. Some research suggests that demographic factors such as income can predict student achievement. The education audit teams used correlation analysis to assess the relationship of some of these factors in the districts they reviewed. The correlation analysis measures how closely two sets of data are related, or how they correlate. Most

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LEGAL

in Our Opinion

Designer Selection Statute and Public Advertisement

Ten taxpayers in the Town of Norwell sought a preliminary injunction to halt a school design project. The plaintiffs argued that the town had failed to comply with the public notice provisions of both the state's designer selection statute and the town's own bylaws. On appeal, the Supreme Judicial Court ruled in *LeClair v. Town of Norwell* that these violations were of a technical nature, and the public interest would not be served through the issuance of an injunction.[1]

In May 1997, the annual town meeting in the Town of Norwell appropriated $100,000 for a feasibility study for construction and renovation of its school facilities. In June 1997, the Norwell school committee advertised a request for proposals (RFP) in the state's central register. Twenty-seven design firms responded to the advertisement, and representatives from 14 firms attended an informational session. In response to an inquiry, the town amended the RFP to permit the same firm selected for the feasibility study to conduct the design services. The town notified all 27 firms that had expressed interest in the project. In October 1997, the town selected Tappe' Associates, Inc. to perform the feasibility study. After an independent firm employed by the town reviewed the feasibility study favorably, the town decided to hire Tappe' to perform the design services for school construction as well.

A resident of Norwell complained to the Attorney General about the award of the design services contract in accordance with M.G.L. Ch. 149 § 44H. After a hearing, the Attorney General decided to take no action. Dissatisfied with the result, 10 taxpayers filed suit in superior court to void the design contract.[2] The plaintiffs alleged the town had not complied with the notice provisions of the designer selection statute[3] and the town's own public bidding requirements.[4] After the superior court motion for a preliminary injunction was denied, this matter came before the Supreme Judicial Court on appeal.

The Supreme Judicial Court reviewed the legislative history of the designer selection statute enacted in 1980 in response to recommendations of the Ward Commission's investigation of corruption in public construction contracts. The Legislature clearly set forth advertising requirements in M.G.L. Ch. 7 § 38D. Yet, the Legislature also gave some leeway to cities and towns, as compared to the state, in the award of design services contracts. For example, unlike state agencies and authorities, municipalities were not required to use a design selection board. At issue for the Supreme Judicial Court was whether cities and towns must strictly comply with the public notice requirements.[5]

The plaintiffs in the Norwell case argued that the town violated the statute by failing to advertise the contract for design services. The town, however, contended it was only legally required to advertise the feasibility study contract. The town attorney noted that although the firm conducting the feasibility study is usually ineligible to perform the design services contract,[6] municipalities are exempt from this strict requirement. Subject to a favorable independent review, the designer of the feasibility study for a city or town is permitted to continue on and perform the design services project.[7] The Supreme Judicial Court ruled that this carry-on provision, in light of the entire designer statute, did not exempt municipalities from the other statutory bidding requirements. In the court's view, the Legislature intended that the designer services contract be advertised.

The Supreme Judicial Court also agreed with the plaintiffs that the town had violated its own bylaws. Article VII of the Norwell bylaws did not totally exempt professional services contracts from the public advertising requirement, as the town attorney had argued. Rather, in the court's view, this bylaw exempted professional services contracts worth less than $10,000 from the advertising requirement.

Having found statutory and bylaw violations, the court then examined whether the public interest would be benefited or hurt by an injunction. According to the court, the purpose of the designer selection statute was to safeguard the integrity of the system while, at the same time, assuring the quality of the design services. In its analysis, the court relied on its prior decisions interpreting the capital projects statute which was very similar to the designer selection statute.[8] In the court's view, the designer selection statute did not expressly void a contract where there was some technical violation of the statute. The court found the designer selection provisions to be directory but not mandatory. Where the town acted in good faith and the statute was not intentionally violated, the court was reluctant to void the town's contract with the design firm. In addition, the public interest could be harmed through the issuance of a preliminary injunction. If the town did not promptly award the design contract, the town risked not being included on the state's priority list for School Building Assistance grant money.

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Focus on Municipal Finance

What in the World is Free Cash?

The first thing to remember about free cash is that it is not free and it is not cash, to quote a former Deputy Commissioner of the Division of Local Services. The Bureau of Accounts (BOA) defines free cash as the amount a community has accumulated when actual revenue collections exceed the budget estimates used when setting the tax rate and/or actual expenditures and encumbrances (committed funds not yet expended) are less than appropriations. The Director of Accounts certifies free cash based on the community's balance sheet for the fiscal year ending on June 30. Prepared by the town accountant or city auditor, the balance sheet is a statement of what a community owns (assets), owes (liabilities) and what is left (fund balances) as of a given point in time. In addition to the balance sheet, BOA requires supplemental information such as state and local estimated revenues vs. actual revenues, prior year free cash not appropriated, and unexpended or unencumbered appropriations. BOA deducts property tax and other receivables not fully deferred, illegal deficits, overdrawn grant accounts and deficits in other funds such as special revenue funds or agency funds before certifying the amount of free cash. Deficits in other funds are deducted from the free cash calculation because more was spent than collected, creating an implicit "loan" from the community's general fund.

A community may not appropriate free cash until the BOA has certified the amount available. Once certified, however, it can be appropriated by town meeting or city council for any legal spending purpose up until the following June 30. If any free cash remains at the close of the fiscal year, it cannot be appropriated until a new balance sheet has been submitted to the Bureau of Accounts and free cash for the next fiscal year is certified.

Figure 1 shows free cash totals statewide from FY1991 through FY1999. Free cash is certified as of the July 1 start of the fiscal year, so that FY1991 free cash was certified as of July 1, 1990. FY1992 is the first year that reflects the recession of the early 1990s. Positive free cash dropped 42 percent from FY1991. FY1993 showed another 2.4 percent decline. The improving economy began to manifest itself in FY1994. Positive free cash increased by 16.4 percent in FY1994, and by 24 percent in FY1995. FY1996 improved by another 52.4 percent. The free cash total stagnated in FY1997, increasing by only 2.5 percent, then began improving again. The FY1998 total increased by 13 percent and for FY1999 it increased another 20.2 percent. The FY1999 total is 73.3 percent higher than the FY1991 total-inflation over that period was only 20.1 percent.

Since free cash is a non-recurring revenue source, good financial management dictates that it should not be relied on to fund operating budgets, but rather should be used for one-time purposes such as capital purchases or appropriations to supplement the stabilization fund. *Figure 1* clearly demonstrates that the availability of free cash varies substantially with general economic conditions.

Table 1 lists all 351 cities and towns and shows their total budgets, the amount of free cash certified and free cash as a percentage of the total budget for FY1998 and FY1999. In FY1999, the percent of free cash compared to total budget ranged from Stockbridge at 51.66 percent positive

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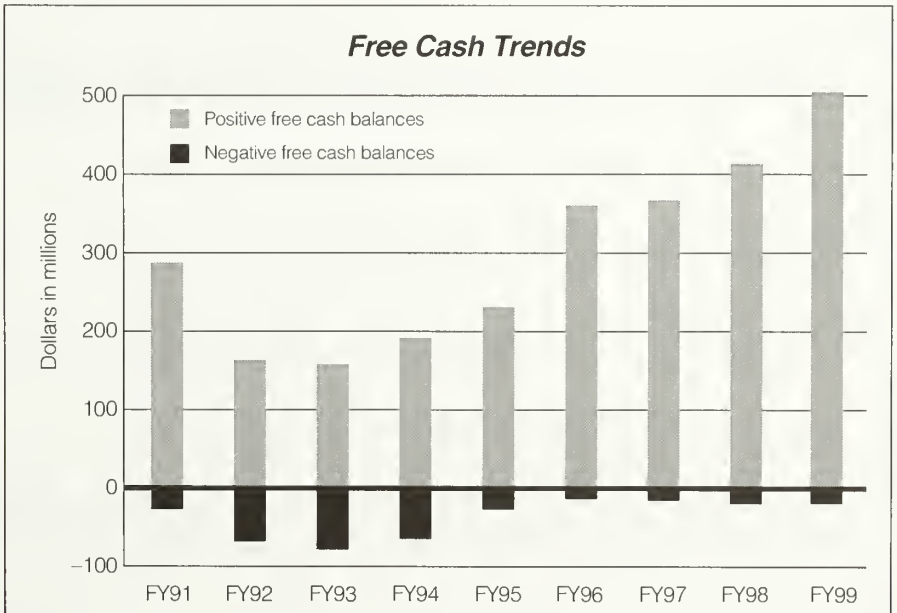
Figure 1



	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99
Positive	$291.1	$168.9	$164.9	$191.8	$237.9	$362.6	$371.6	$419.6	$504.4
Negative	$–29.1	$–74.8	$–85.6	$–72.9	$–30.8	$–13.3	$–16.3	$–21.7	$–18.6

FY1998 and FY1999 Free Cash Compared to Total Budget

Municipality	98 total budget	7/1/97 free cash	99 total budget	7/1/98 free cash	99 FC as a % budget
Abington	24,911,882	821,882	26,529,952	588,895	2.22%
Acton	41,921,536	1,887,727	43,893,535	1,956,181	4.46%
Acushnet	14,928,396	419,815	16,157,540	561,565	3.48%
Adams	9,453,469	918,555	9,801,799	2,135,309	21.78%
Agawam	45,301,607	1,863,376	49,427,002	2,476,946	5.01%
Alford	806,352	163,440	885,298	102,905	11.62%
Amesbury	32,066,195	1,489,960	34,609,144	748,082	2.16%
Amherst	45,172,187	2,339,508	48,288,606	3,163,089	6.55%
Andover	78,411,919	4,272,761	86,205,568	5,337,939	6.19%
Aquinnah	1,772,025	121,436	1,872,975	435,039	23.23%
Arlington	78,076,954	2,789,282	83,615,267	3,889,025	4.65%
Ashburnham	7,236,711	350,929	7,085,634	253,843	3.58%
Ashby	3,053,864	197,218	3,331,713	154,053	4.62%
Ashfield	2,566,391	159,236	2,722,537	−112,251	−4.12%
Ashland	24,687,342	−3,388	27,602,669	1,866,565	6.76%
Athol	9,712,420	730,787	10,595,924	892,097	8.42%
Attleboro	72,022,718	811,276	77,078,483	985,945	1.28%
Auburn	24,146,350	922,958	25,939,051	622,041	2.40%
Avon	10,108,085	518,928	10,928,757	638,175	5.84%
Ayer	16,523,672	1,226,381	17,763,656	538,557	3.03%
Barnstable	92,155,090	6,501,106	95,521,224	5,064,420	5.30%
Barre	6,239,551	496,594	5,931,149	485,147	8.18%
Becket	2,927,033	76,301	3,300,298	88,537	2.68%
Bedford	38,295,883	2,653,755	42,022,008	3,016,793	7.18%
Belchertown	27,472,775	1,312,259	23,893,910	1,007,510	4.22%
Bellingham	31,467,828	2,267,426	30,965,124	1,380,514	4.46%
Belmont	60,639,982	1,541,843	60,990,072	3,497,769	5.73%
Berkley	8,103,198	49,741	9,095,849		0.00%
Berlin	4,869,937	272,411	5,352,181	649,501	12.14%
Bernardston	2,253,779	446,682	2,785,415	357,514	12.84%
Beverly	71,080,472		75,672,109		0.00%
Billerica	76,541,887	1,764,083	83,082,089	2,575,068	3.10%
Blackstone	8,377,868	240,314	9,868,157	384,815	3.90%
Blandford	1,455,213	112,836	1,610,881	128,823	8.00%
Bolton	7,825,108	1,457,242	9,420,403	1,574,309	16.71%
Boston	1,490,680,908		1,604,210,644		0.00%
Bourne	34,650,253	2,375,864	32,920,857	2,538,434	7.71%
Boxborough	9,974,401	502,677	10,372,709	474,745	4.58%
Boxford	14,990,244	1,361,927	17,411,861	1,286,681	7.39%
Boylston	6,237,607	764,612	6,830,551	531,935	7.79%
Braintree	72,399,922	1,254,940	77,212,889	3,623,485	4.69%
Brewster	25,381,869	2,159,942	22,417,800	2,043,433	9.12%
Bridgewater	27,176,781	505,155	29,477,578	1,130,469	3.84%
Brimfield	5,389,818	286,501	5,753,707	101,791	1.77%
Brockton	207,745,311	7,556,813	222,691,414	12,886,657	5.79%
Brookfield	4,950,223	484,988	5,661,768		0.00%
Brookline	136,401,924	4,412,943	144,274,647	7,506,461	5.20%
Buckland	2,517,009	208,260	2,720,883	123,623	4.54%
Burlington	58,431,376	1,706,827	63,461,351	2,153,659	3.39%
Cambridge	298,222,389	32,045,667	319,101,237	29,172,594	9.14%
Canton	44,636,183	915,557	45,655,699	2,272,980	4.98%
Carlisle	12,032,146	481,852	12,822,035	368,797	2.88%
Carver	22,345,683	1,815,259	24,868,916	1,176,107	4.73%
Charlemont	1,778,360	112,041	2,141,705	148,640	6.94%
Charlton	10,172,284	438,505	11,178,358	413,300	3.70%
Chatham	24,156,470	1,868,061	25,301,618	2,340,850	9.25%
Chelmsford	62,631,813	1,897,882	66,766,400	2,746,276	4.11%
Chelsea	82,433,417	2,729,571	86,241,340	4,779,029	5.54%
Cheshire	2,936,381	132,232	3,072,121	353,417	11.50%
Chester	1,517,841		1,535,278		0.00%
Chesterfield	1,690,308	106,622	1,735,663	146,506	8.44%
Chicopee	93,699,062	1,600,726	101,504,263	2,080,473	2.05%
Chilmark	3,627,142	248,390	4,207,998	214,096	5.09%
Clarksburg	2,433,580	−31,816	2,644,440	37,002	1.40%
Clinton	21,413,387	−150,747	23,059,971	719,440	3.12%
Cohasset	18,947,976	948,017	21,462,161	574,208	2.68%
Colrain	2,170,377	107,593	2,018,482	156,538	7.76%
Concord	38,868,344	3,437,456	40,807,319	3,487,959	8.55%
Conway	3,532,373	427,424	3,717,184	531,681	14.30%
Cummington	1,210,429	93,156	1,437,159	120,491	8.38%
Dalton	8,550,137	1,097,690	9,825,986	1,103,893	11.23%
Danvers	57,032,825	2,182,196	58,572,852	4,633,084	7.91%
Dartmouth	41,834,785	1,206,531	43,492,497	1,218,578	2.80%
Dedham	47,546,189	1,524,737	50,012,601	1,558,194	3.12%
Deerfield	8,407,292	1,033,765	9,176,803	1,044,953	11.39%
Dennis	28,464,196	1,806,018	29,479,027	2,961,330	10.05%
Dighton	7,910,578	391,566	7,756,600	438,517	5.65%
Douglas	12,287,330	507,831	13,158,916	622,015	4.73%
Dover	12,995,293	759,529	13,858,628	771,039	5.56%
Dracut	40,954,619	2,286,365	44,950,879	2,358,849	5.25%
Dudley	8,399,204	475,297	8,995,845	615,021	6.84%
Dunstable	4,245,091	354,206	4,090,485	418,730	10.24%
Duxbury	35,375,689	3,170,067	36,543,388	3,129,267	8.56%
E. Bridgewater	25,455,482	1,322,305	25,295,634	1,421,242	5.62%
E. Brookfield	1,948,134	264,834	2,182,116	300,642	13.78%
E. Longmeadow	26,959,440	2,128,233	28,243,103	3,347,495	11.85%
Eastham	12,321,952	1,496,196	12,416,893	1,128,643	9.09%
Easthampton	24,545,945	674,320	27,032,185	1,523,633	5.64%
Easton	36,174,968	1,012,342	39,110,241	1,644,909	4.21%
Edgartown	15,288,477	287,085	16,740,892	1,025,579	6.13%
Egremont	2,526,715	124,039	2,594,320	113,080	4.36%
Erving	3,965,443	120,306	4,854,754	230,691	4.75%
Essex	6,165,022	191,448	6,797,762	21,072	0.31%
Everett	78,518,441	2,897,389	82,318,195	2,910,948	3.54%
Fairhaven	29,156,321	1,570,042	34,134,202	1,550,136	4.54%
Fall River	156,315,259	3,511,229	166,766,557	9,390,238	5.63%
Falmouth	63,299,805	3,547,901	66,406,547	4,329,734	6.52%
Fitchburg	73,883,275	566,026	77,966,759	830,709	1.07%
Florida	2,193,106	488,712	2,076,406	567,488	27.33%
Foxborough	30,751,697	1,111,186	32,630,626	1,322,516	4.05%
Framingham	137,942,146	547,525	147,627,226	2,491,174	1.69%
Franklin	54,944,869	3,198,271	59,472,594	3,645,310	6.13%
Freetown	11,859,538	284,458	12,164,969	741,074	6.09%
Gardner	34,303,733	572,937	38,041,474	931,493	2.45%
Georgetown	14,016,553	811,942	14,672,127	334,327	2.28%
Gill	1,533,022	187,123	1,638,087	198,177	12.10%
Gloucester	59,047,111	1,036,208	63,352,212	3,356,726	5.30%
Goshen	1,228,257	−65,192	1,392,646	188,516	13.54%
Gosnold	781,171	48,719	838,158	81,415	9.71%
Grafton	21,001,560	1,532,424	22,030,721	1,541,162	7.00%
Granby	9,685,710	1,037,249	10,028,481	537,009	5.35%
Granville	2,904,155	317,320	2,942,021	500,013	17.00%
Grt. Barrington	13,092,776	1,530,522	13,508,519	1,971,812	14.60%
Greenfield	33,852,199	1,621,374	40,154,319	125,964	0.31%
Groton	15,395,743	364,071	17,033,544	943,314	5.54%
Groveland	7,897,355	208,896	7,879,369	224,085	2.84%
Hadley	8,252,948	315,919	9,271,565	599,507	6.47%
Halifax	11,606,357	577,760	12,775,544	577,760	4.52%
Hamilton	13,510,736	398,177	14,166,134	978,915	6.91%
Hampton	6,037,171	74,724	6,377,293	193,053	3.03%
Hancock	1,053,738	225,015	1,128,583	254,949	22.59%
Hanover	28,504,709	1,139,183	30,159,793	2,033,425	6.74%
Hanson	12,708,425	450,010	13,510,971	882,049	6.53%
Hardwick	3,264,400	325,883	3,375,248	487,127	14.43%
Harvard	12,573,993	300,939	12,913,574	224,992	1.74%
Harwich	30,433,200	4,341,131	31,775,726	3,829,967	12.05%
Hatfield	6,246,059	434,293	6,161,906	446,597	7.25%
Haverhill	145,457,890	1,114,192	152,092,598		0.00%
Hawley	473,059	148,411	569,033	59,768	10.50%
Heath	1,658,905	98,329	1,368,964	84,045	6.14%
Hingham	43,040,585	3,769,269	46,653,475	4,556,394	9.77%
Hinsdale	2,893,067	215,284	3,467,899	118,050	3.40%
Holbrook	20,594,454	944,939	20,958,152	722,207	3.45%
Holden	21,263,058	290,059	24,048,628	701,438	2.92%
Holland	4,722,799	184,262	4,108,690	175,738	4.28%
Holliston	26,801,120	843,286	28,679,368	939,493	3.28%
Holyoke	105,715,036	4,140,457	113,962,681	8,627,093	7.57%
Hopedale	11,740,654	1,004,807	11,832,011	656,028	5.54%
Hopkinton	25,887,090	388,265	28,594,120	532,397	1.86%
Hubbardston	3,747,388	169,239	3,874,974	212,763	5.49%
Hudson	33,644,218	2,507,919	34,567,855	2,947,991	8.53%
Hull	23,659,828	651,225	25,469,344	887,925	3.49%
Huntington	2,405,861	148,249	2,382,624	322,640	13.54%
Ipswich	23,766,871	783,541	25,645,015	1,108,043	4.32%
Kingston	20,114,762	1,185,302	19,784,554	1,617,339	8.17%
Lakeville	12,289,645	282,029	13,353,425	459,837	3.44%
Lancaster	7,261,370	493,669	8,443,124	68,639	0.81%
Lanesborough	5,295,549	301,534	5,859,762	397,801	6.79%
Lawrence	153,830,855	1,554,733	162,473,275	4,864,327	2.99%
Lee	11,410,488	211,526	11,851,565	937,384	7.91%
Leicester	17,140,865	608,765	18,369,063	560,405	3.05%
Lenox	14,773,140	2,962,233	13,959,344	3,570,381	25.58%
Leominster	65,994,559	3,466,356	75,923,965	4,115,269	5.42%
Leverett	2,944,408	363,359	3,227,825	409,737	12.69%
Lexington	85,443,850	3,915,748	91,845,007	2,722,578	2.96%
Leyden	980,453	112,080	890,945	65,358	7.34%
Lincoln	19,124,227	2,232,637	19,196,763	2,071,049	10.79%
Littleton	16,644,138	940,777	17,166,279	1,512,172	8.81%
Longmeadow	34,313,933	1,954,256	35,733,844	2,289,513	6.41%
Lowell	219,790,515	3,856,016	236,284,839	5,092,674	2.16%
Ludlow	32,932,896	1,700,320	34,111,171	2,422,498	7.10%
Lunenburg	14,970,878	461,774	15,360,395	149,812	0.98%
Lynn	169,274,762	1,199,353	183,044,855	−1,357,384	−0.74%
Lynnfield	20,927,424	1,532,144	22,208,380	1,019,871	4.59%
Malden	90,367,467	−1,915,597	97,755,501	−550,802	−0.56%
Manchester	15,792,987	1,311,878	15,546,489	1,002,860	6.45%
Mansfield	41,716,813	2,028,966	51,532,186	1,142,234	2.22%
Marblehead	41,481,818	2,576,782	44,154,132	2,165,918	4.91%
Marion	10,419,069	475,845	11,408,416	315,585	2.77%
Marlborough	68,408,605	2,266,656	76,290,797	2,027,527	2.66%
Marshfield	44,492,170	2,450,677	53,085,348	2,975,917	5.61%
Mashpee	29,231,078	1,505,016	30,873,444	2,162,962	7.01%
Mattapoisett	11,907,514	539,219	13,852,553	701,502	5.06%
Maynard	18,855,426	−9,226	20,499,592	120,579	0.59%
Medfield	24,015,793	803,003	26,847,960	1,979,046	7.37%
Medford	98,175,005	1,416,443	101,024,329	1,519,064	1.50%
Medway	23,788,024	731,378	25,177,263	627,725	2.49%
Melrose	48,346,397	1,584,439	51,506,698	1,928,224	3.74%
Mendon	7,043,171	465,213	6,652,830	331,587	4.98%
Merrimac	8,528,098	500,171	9,003,708	222,398	2.47%

Municipality	98 total budget	7/1/97 free cash	99 total budget	7/1/98 free cash	99 FC as a % budget
Methuen	75,711,353	739,939	79,440,814	2,088,520	2.63%
Middleborough	40,084,495	933,994	41,259,824	1,630,957	3.95%
Middlefield	765,228	105,303	737,907	162,989	22.09%
Middleton	12,017,005	1,334,381	13,222,388	1,485,820	11.24%
Milford	48,386,858	710,439	50,567,286	1,966,270	3.89%
Millbury	17,237,684	1,363,821	18,414,197	1,840,028	9.99%
Millis	14,277,073	767,473	15,795,424	312,941	1.98%
Millville	3,006,165	469,752	3,072,387	303,821	9.89%
Milton	49,673,523	1,025,127	53,754,178	1,019,603	1.90%
Monroe	466,106	125,162	488,069	105,156	21.55%
Monson	15,105,134	471,740	16,139,530	702,164	4.35%
Montague	10,324,607	614,193	11,166,827	742,091	6.65%
Monterey	1,821,287	202,543	1,904,767	74,760	3.92%
Montgomery	1,391,450	221,985	1,161,423	208,828	17.98%
Mt. Washington	392,267	117,754	363,526	170,268	46.84%
Nahant	7,283,062	237,195	7,716,074	311,234	4.03%
Nantucket	48,981,622	4,897,887	51,582,704	5,285,205	10.25%
Natick	68,109,313	2,728,405	72,791,084	3,450,176	4.74%
Needham	68,161,972	1,968,754	73,111,035	2,900,719	3.97%
New Ashford	368,029	92,369	339,866	110,018	32.37%
New Bedford	193,171,248	-10,037,492	202,660,414	-5,015,840	-2.47%
New Braintree	1,110,479	40,773	1,114,037	39,033	3.50%
New Marlborough	2,456,280	123,636	2,391,343	136,667	5.72%
New Salem	1,222,104	123,636	1,359,801	130,983	9.63%
Newbury	9,634,854	367,384	10,147,007	180,610	1.78%
Newburyport	31,875,787	340,795	35,152,781	247,068	0.70%
Newton	206,550,467	4,062,320	212,624,482	7,004,674	3.29%
Norfolk	16,568,366	351,797	18,364,882	565,197	3.08%
N. Adams	28,629,941	346,358	30,448,348	1,794,073	5.89%
N. Andover	47,704,711	1,085,950	50,093,573	337,985	0.67%
N. Attleborough	48,804,109	2,431,979	54,044,511	2,843,844	5.26%
N. Brookfield	8,143,762	291,975	9,054,005	288,245	3.18%
N. Reading	29,702,116	1,311,290	32,220,406	1,499,535	4.65%
Northampton	52,357,604	1,402,665	54,321,868	1,873,188	3.45%
Northborough	23,607,860	2,854,196	26,227,734	3,016,151	11.50%
Northbridge	22,797,194	1,145,070	24,309,139	962,285	3.96%
Northfield	3,712,232	534,058	3,981,705	534,675	13.43%
Norton	28,224,732	535,806	30,848,974	963,184	3.12%
Norwell	23,168,159	686,911	23,741,888	899,507	3.79%
Norwood	82,229,484	2,386,984	82,253,129	2,839,843	3.45%
Oak Bluffs	12,515,285	619,071	12,927,828	896,147	6.93%
Oakham	1,632,346	138,714	1,889,373	221,600	11.73%
Orange	14,099,006	648,954	15,631,599	507,564	3.25%
Orleans	16,173,581	1,588,641	17,106,786	1,363,701	7.97%
Otis	2,733,612	304,305	2,907,729	206,968	7.12%
Oxford	19,847,637	1,251,985	23,819,952	1,572,132	6.60%
Palmer	23,350,646	628,226	24,604,846	1,989,300	8.08%
Paxton	5,532,738	369,837	6,016,830	364,312	6.05%
Peabody	93,879,983	6,738,960	95,043,279	6,467,513	6.80%
Pelham	2,236,960	399,580	2,542,848	288,610	11.35%
Pembroke	26,895,735	1,595,438	27,834,918	1,009,549	3.63%
Pepperell	14,618,015	806,718	14,051,863	1,504,637	10.71%
Peru	975,634	96,643	995,638	126,925	12.75%
Petersham	1,856,311	343,788	1,626,922	210,733	12.95%
Philipston	1,523,091	87,231	1,724,130	72,674	4.22%
Pittsfield	81,484,164	2,408,456	85,980,499	1,728,212	2.01%
Plainfield	1,355,902	72,094	952,661	110,485	11.60%
Plainville	11,140,538	810,773	12,708,186	718,661	5.66%
Plymouth	103,053,901	3,387,865	110,989,158	2,487,223	2.24%
Plympton	4,162,551	142,238	4,371,799	254,062	5.81%
Princeton	5,398,923	629,070	6,017,363	597,214	9.92%
Provincetown	15,237,154	280,362	15,500,807	282,612	1.82%
Quincy	164,355,584	4,413,455	177,531,387	3,475,693	1.96%
Randolph	50,198,762	1,914,392	55,167,824	3,147,647	5.71%
Raynham	14,272,608	285,948	15,958,008	350,102	2.19%
Reading	49,841,295	2,240,445	53,162,851	1,970,942	3.71%
Rehoboth	10,843,610	1,070,566	11,501,078	1,422,997	12.37%
Revere	80,049,962	209,700	85,129,688	877,332	1.03%
Richmond	3,501,509	237,970	3,404,746	201,821	5.93%
Rochester	8,881,432	893,997	9,289,211	1,044,576	11.25%
Rockland	32,764,397	-547,821	34,704,535		0.00%
Rockport	19,086,490	1,301,045	20,301,561	914,465	4.50%
Rowe	2,632,751	927,064	2,029,055	425,514	20.97%
Rowley	7,699,265	357,011	8,385,478	560,599	6.69%
Royalston	1,971,358	692,023	2,290,139		0.00%
Russell	2,552,435	213,589	2,614,247	391,250	14.97%
Rutland	6,939,182	342,906	7,716,359	542,979	7.04%
Salem	80,118,531	1,423,512	85,180,152	2,756,091	3.24%
Salisbury	11,656,138	169,653	12,639,762	530,287	4.20%
Sandisfield	1,468,043	642,253	1,858,737	356,833	19.20%
Sandwich	34,596,523	629,725	36,801,002	1,753,364	4.76%
Saugus	48,268,946	316,798	47,471,795	1,051,683	2.22%
Savoy	1,089,972	90,336	1,268,523	51,974	4.10%
Scituate	36,149,486	1,361,556	41,418,810	2,677,846	6.47%
Seekonk	24,419,100	1,434,797	25,848,084	1,541,317	5.96%
Sharon	35,025,137	1,216,005	37,853,834	1,742,326	4.60%
Sheffield	5,591,184	709,575	5,328,331	720,749	13.53%
Shelburne	2,349,264	100,342	2,658,519	94,094	3.54%
Sherborn	11,444,940	527,335	11,809,114	762,245	6.45%
Shirley	8,778,276	222,373	9,160,503	431,340	4.71%
Shrewsbury	48,908,865	4,555,647	51,258,068	4,611,834	9.00%
Shutesbury	3,428,047	454,428	3,914,015	523,910	13.39%
Somerset	35,493,190	3,098,821	36,251,509	4,777,786	13.18%
Somerville	130,280,709	6,969,416	137,620,769	6,828,201	4.96%
S. Hadley	25,564,297	724,947	25,848,627	347,624	1.34%
Southampton	7,595,352	241,340	8,074,881	297,186	3.68%
Southborough	17,598,733	1,306,667	19,950,483	1,371,296	6.87%
Southbridge	30,259,647	3,212,404	32,011,761	2,124,717	6.64%
Southwick	9,936,599	925,333	11,014,574	864,835	7.85%
Spencer	10,239,769	338,821	11,673,614	526,573	4.51%
Springfield	326,234,747	-6,851,035	356,945,338	-9,250,464	-2.59%
Sterling	10,587,640	1,030,560	11,031,384	1,031,433	9.35%
Stockbridge	4,802,302	2,021,558	5,386,881	2,782,795	51.66%
Stoneham	42,623,866	1,113,799	44,246,502	1,284,121	2.90%
Stoughton	51,643,711	1,390,807	55,328,528	1,664,690	3.01%
Stow	10,457,522	745,397	11,442,616	439,953	3.84%
Sturbridge	14,545,891	715,011	14,389,329	809,695	5.63%
Sudbury	41,080,850	763,419	41,970,181	1,433,571	3.42%
Sunderland	4,505,272	411,092	4,840,284	446,517	9.23%
Sutton	12,388,325	468,134	14,317,000	889,713	6.21%
Swampscott	29,542,885	547,286	31,022,480	1,082,490	3.49%
Swansea	21,319,195	-282,990	22,315,636	226,041	1.01%
Taunton	104,183,221	4,471,006	110,071,707	5,246,662	4.77%
Templeton	7,411,384	238,073	7,263,337	64,674	0.89%
Tewksbury	52,558,904	874,908	56,835,630	1,829,261	3.22%
Tisbury	11,892,163	1,166,214	13,207,071	982,123	7.44%
Tolland	548,913	98,942	565,607	101,779	17.99%
Topsfield	11,224,991	538,482	12,812,962	614,184	4.79%
Townsend	10,158,682	360,747	10,871,718	712,523	6.55%
Truro	6,634,600	321,614	7,134,439	441,687	6.19%
Tyngsborough	19,530,420	1,225,191	21,259,116	1,130,895	5.32%
Tyringham	1,002,611	85,507	942,206	110,157	11.69%
Upton	7,329,263	234,467	7,856,085	319,374	4.07%
Uxbridge	19,424,207	640,741	22,356,134	660,650	2.96%
Wakefield	49,237,496	1,921,645	54,690,525	1,764,790	3.23%
Wales	2,567,673	93,754	2,704,363	57,176	2.11%
Walpole	42,383,577	928,669	43,716,870	1,205,649	2.76%
Waltham	120,300,285	6,974,078	130,836,474	9,239,901	7.06%
Ware	16,252,756	750,540	17,794,155	1,048,376	5.89%
Wareham	37,536,960	599,019	40,907,650	1,109,062	2.71%
Warren	4,960,301	58,714	5,192,699	271,154	5.22%
Warwick	1,091,345	136,740	994,744	99,924	10.05%
Washington	910,803	-1,520	847,461	42,226	4.98%
Watertown	64,062,648	3,514,953	68,596,007	3,963,545	5.78%
Wayland	36,187,363	2,098,996	37,550,895	2,684,313	7.15%
Webster	24,348,615	814,028	26,639,268	1,178,430	4.42%
Wellesley	58,795,529	2,292,962	60,646,281	2,516,578	4.15%
Wellfleet	9,926,605	376,926	9,535,108	548,646	5.75%
Wendell	1,369,926		1,419,675		0.00%
Wenham	6,931,610	532,444	7,489,479	361,920	4.83%
W Boylston	12,271,320	774,988	12,619,267	401,411	3.18%
W Bridgewater	14,250,366	686,424	14,257,587	558,688	3.92%
W. Brookfield	4,026,316	511,260	4,677,655	712,537	15.23%
W Newbury	7,254,974	868,536	7,112,771	974,298	13.70%
W Springfield	54,753,733	3,330,261	57,667,977	3,701,621	6.42%
W Stockbridge	2,822,463	299,880	2,921,132	447,932	15.33%
W Tisbury	7,433,812	209,244	7,472,489	315,757	4.23%
Westborough	42,342,547	2,024,876	45,683,450	1,276,289	2.79%
Westfield	74,551,156	2,349,071	79,263,009	2,636,815	3.33%
Westford	37,815,191	1,718,462	44,709,121	1,867,371	4.18%
Westhampton	2,643,033	90,435	2,740,751	43,382	1.58%
Westminster	9,272,553	678,086	9,774,301	675,660	6.91%
Weston	36,859,512	1,771,707	39,117,974	1,552,996	3.97%
Westport	19,044,122	804,898	20,329,859	1,123,714	5.53%
Westwood	35,105,527	898,542	37,850,418	1,221,741	3.23%
Weymouth	92,827,135	1,451,875	100,938,684	2,631,300	2.61%
Whatley	2,904,605	181,317	3,094,499	304,459	9.84%
Whitman	18,327,995	775,782	19,771,480	199,704	1.01%
Wilbraham	19,435,998	823,148	21,332,911	705,285	3.31%
Williamsburg	3,577,299	268,470	3,765,515	274,700	7.30%
Williamstown	13,391,540	272,784	13,876,727	495,740	3.57%
Wilmington	40,400,206	2,393,364	42,887,639	2,407,677	5.61%
Winchendon	20,319,486	1,732,865	20,869,735	1,557,331	7.46%
Winchester	46,717,697	612,212	48,306,549	1,027,915	2.13%
Windsor	1,057,254	287,036	1,216,835	302,302	24.84%
Winthrop	28,861,811	911,243	29,651,171	1,039,473	3.51%
Woburn	74,769,477		80,505,879	4,010,798	4.98%
Worcester	355,960,320	-1,850,329	374,540,134	-2,293,976	-0.61%
Worthington	2,010,990	42,423	1,649,078	181,044	10.98%
Wrentham	20,090,511	1,172,966	19,875,389	731,476	3.68%
Yarmouth	49,546,064	2,862,978	49,525,375	3,664,138	7.40%
State totals:					
Total budgets	12,622,550,542		13,456,708,716		
Positive		419,603,501		504,392,059	4.00%
Negative		-21,747,153		-18,580,717	

Table 1

What in the World Is Free Cash?
➡ *continued from page three*

free cash to Ashfield at 4.21 percent negative free cash. There were 12 communities with free cash equal to more than 20 percent of their total budgets and another 47 with free cash of 10 to 20 percent. There were 119 communities with free cash of between 5 and 10 percent of their total budgets. The largest group fell between 3 and 4 percent. The statewide total free cash as a percent of the statewide total budget for FY1999 is 4.0 percent. It was 3.15 percent in FY1998.

Eight of the 10 communities with free cash equaling the largest percentages of total budgets are in Berkshire County: Stockbridge (51.66), Mount Washington (46.84), New Ashford (32.37), Florida (27.33), Lenox (25.58), Windsor (24.84), Hancock (22.59) and Adams (21.78). The other two communities are Aquinnah (23.23) on Martha's Vineyard and Middlefield (22.09) in Hampshire County. The eight communities with free cash equaling less than one percent of their total budgets are clustered in northern Massachusetts. Three are in Essex County: Newburyport (0.7), North Andover (0.67) and Essex (0.31). Three are in northern Worcester County: Lunenburg (0.98), Templeton (0.89) and Lancaster (0.81). The others are Maynard (0.59) and Greenfield (0.31).

For FY1999, there were six communities with negative free cash, six less than in the previous fiscal year. Five of the six are cities. Three of those communities had negative free cash balances of less than one percent. The community with the highest negative balance had negative free cash equal to slightly more than four percent of its total budget. Some communities do not have their free cash certified, often because they anticipate a negative balance. For FY1999 there were nine communities that did not have free cash certified, up from five uncertified communities in FY1998.

Prudent communities prepare conservative budgets to generate positive free cash. They also pursue the collection of unpaid real and personal property taxes aggressively since unpaid taxes are not only monies not collected, they are also deducted when free cash is calculated. Since higher free cash ratios are one indicator of fiscal health, financial services assigning bond ratings to communities use the amount of free cash as one measure of the community's fiscal stability. A strong free cash position could reduce borrowing costs. Maintenance of an adequate free cash level is not a luxury, but a necessary component of sound local fiscal management. ■

written by Jean McCarthy
data provided by Dora Brown
chart prepared by Michael Maguire

Audits Reveal Results of Ed Reform Spending
➡ *continued from page one*

experts agree that values greater than plus 0.85 show a very strong positive relationship or correlation, while values of less than minus 0.75 indicate a relatively strong inverse relationship or correlation. A value of zero indicates that there is no correlation at all.

Comparing net school spending and student test scores in audited districts reveals that there is almost no relationship. Correlation coefficients for net school spending and four different test score results yielded values between minus 0.1 and plus 0.07.[1] On the other hand, there is a high correlation among performance on different tests — schools that score well on the Scholastic Achievement Test (SAT) score similarly on the Massachusetts Comprehensive Assessment System (MCAS). Taking just one demographic factor, 1989 per capita income, and correlating that to the 1998 MCAS test scores results in a correlation coefficient of 0.84 for the audited districts, suggesting that per capita income plays a fairly strong role in test score results.

The true measure of success is most likely the degree to which a school district performs better than expected based on its demographic characteristics. Among the audited school districts that performed better than expected are North Reading, Auburn, Braintree, East Longmeadow, Everett and Worcester. Everett and Worcester are two districts that appear to have taken education reform very seriously and implemented many of its provisions, such as communicating goals clearly, preparing thoughtful school improvement plans and using evaluation tools for both teachers and principals.

Successful school districts tend to exhibit some shared characteristics. They have strong and positive leadership, clear direction that is communicated well throughout the organization, and a sense of purpose and drive. Clear communication of goals through mission statements, strategic plans with specific goals and objectives, and effective methods of measuring progress and holding managers accountable move school districts forward. ■

1. 1998 MCAS Total Score (.01), 1998 Combined Advanced & Proficient Scores (.03), 1998 SAT score (.07) and 1997 10th Grade Iowa Percentile rank (–.10).

DLS UPDATE

Rating of Qualified Bonds Improves

Moody's Investors Service recently upgraded the rating on the state general obligation-qualified bond program to Aa3 from A2, affecting $632.4 million of outstanding debt. The enhancement reflects the Commonwealth's strong credit rating as well as the strength of the direct-pay arrangement authorized by state statute. Under the Massachusetts Qualified Bond program the State Treasurer pays the debt service directly from a community's local aid, reinforcing the security of the bonds and thereby reducing the cost of borrowing for municipalities. Amesbury, Beverly, Blackstone Millville Regional School District, Brockton, Fall River, Haverhill, Lawrence, Lowell, Revere and Springfield have all issued bonds under this program.

FY2001 Growth Factors

The Division of Local Services has provided preliminary FY2001 municipal revenue growth factors (MRGF) to the Department of Education (DOE) to be used to calculate the amount of Chapter 70 aid proposed in the Governor's budget (House 1A). Both Chapter 70 aid and the MRGFs may change as a result of the legislative process. Based on statute, the MRGFs are used to increase the local municipal contribution to support schools and the gross standard of effort used to measure ability to pay under the Education Reform Act. The law provides for a cap on the MRGFs based on the annual percent increase in formula aid for Chapter 70. For FY2001, the factors were capped at 4.72 percent.

The MRGF is an estimate of the percentage change in a municipality's revenue growth for a fiscal year. It represents the combined percentage increase in the following revenue components: automatic 2½ percent increase in the levy limit, estimated new growth, the change in selected unrestricted state aid categories, and the change in selected unrestricted local receipts. The MRGF is the summary of the change in the four components.

Detailed descriptions of the calculation of every community's preliminary FY2001 MGRFs are available on the DLS website, address on page 8, (see MRGF2001.xls).To see a community's numbers, click on the "reports" menu choice. A companion file provides spreadsheets that give the calculations in column format for all 351 cities and towns (see MRGF2001. spreadsheet.xls). For questions call Lisa Juskiewicz or Rick Kingsley at DLS.

Room Occupancy Excise Alert

Communities that impose a local room occupancy tax on hotels and motels must notify the Commissioner of Revenue when they vote to adopt that local option.[1] A copy of the town meeting or city council vote specifying the rate at which the local excise is to be imposed and the effective date of the local excise should be received by the Commissioner at least 21 days before the effective date for imposition of the excise. The effective date is the first day of the calendar quarter following 30 days after such acceptance, or the first day of such later calendar quarter as the city or town may designate.

Massachusetts General Laws authorize any city or town to impose a local excise on the transfer of occupancy of any room or rooms in a bed and breakfast establishment, hotel, lodging house or motel located in that community. State law imposes an excise at a rate of 5.7 percent of the total amount of rent for each such hotel/motel occupancy. Each city or town may vote to impose an additional surtax of up to four percent of the total amount of rent (up to 4.5 percent in Boston).[2] To impose the additional excise, a community must first accept the provisions of law. For towns, acceptance requires a majority vote of town meeting. In cities, a majority vote of the city council, or a majority vote of town council in municipalities with a town council form of governments, is required.

Although failure to notify the Commissioner does not affect the effective date of the excise, or excuse the operator from the obligation to collect the excise, it obviously has an impact on the Commissioner's notification of local hotel/motel operators. Despite lack of such notice, hotel/motel owners could still be subject to fines and interest for failure to collect the excise. Also, in one community the hotel owner received a rebate of the amount collected with notice that the town had not adopted the hotel/motel excise because the Commissioner had no record of the town's adoption of the local option. ■

1. 830 CMR 64G.3A.1.
2. MGL Ch. 64G, § 3, 3A.

Designer Selection Statute

➡ *continued from page two*

In conclusion, the court refused to issue the injunction since the public interest would not be served. ■

written by James Crowley

1. 430 Mass. 328 (1999).
2. Pursuant to M.G.L. Ch. 40 § 53.
3. M.G.L. Ch. 7 § 38A½–38O.
4. Article VII of the town bylaws.
5. M.G.L. Ch. 7 § 38D.
6. M.G.L. Ch. 7 § 38H(d).
7. M.G.L. Ch. 7 § 38H (I).
8. M.G.L. Ch. 7 § 40A et seq.

Municipal Fiscal Calendar

April 1
Collector: *Mail 2nd half semi-annual tax bills.*

Mark Your Calendars — Opportunities for Training

Assessment Administration: Law, Procedures, Valuation (Course 101) will be offered in Melville Hall (Room 201), Berkshire Community College in Pittsfield on eight consecutive Wednesdays beginning April 5, from 7:00 p.m. to 10:00 p.m.

Assessment Administration: Law, Procedures, Valuation (Course 101) will be offered at the Department of Revenue's first floor conference room, 51 Sleeper Street, Boston, on eight consecutive Tuesdays beginning April 11, from 7:00 p.m. to 10:00 p.m.

Classification Training Workshops will be held in conjunction with Course 101 in Room 201, Melville Hall, Berkshire Community College on Wednesday, May 3, 2000, and in the first floor conference room, 51 Sleeper Street in Boston on Tuesday, May 9, 2000, from 7:00 p.m. to 8:30 p.m.

The *New Officials Finance Forum* will be given on Friday, June 2, 2000, at the Ramada Inn, 624 Southbridge Street, Auburn from 8:45 a.m. to 3:00 p.m.

Contact Barbara LaVertue, Coordinator of Training, at (617) 626-2340 for more information. ■

Data Bank Highlight

The Municipal Data Bank website has spreadsheets listing certified free cash amounts as a percentage of the total budget for all cities and towns from FY1981. It also has spreadsheets for the other two major reserve funds: stabilization fund and overlay reserve. One spreadsheet shows stabilization fund balances as a percentage of the total budget. The other shows overlay reserve as a percentage of the tax levy. These spreadsheets can be downloaded from the website. The Data Bank provides many other reports containing financial and demographic information on Massachusetts cities and towns. Most of these reports are available on the website. Another feature of the website, the Community Report Builder, allows users to construct reports online.

To obtain information from the Municipal Data Bank, visit our website, listed below, or call Dora Brown or Debbie DePerri at (617) 626-2300. For technical assistance, contact Medi Ba at (617) 626-2355. ■

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS website at **www.state.ma.us/dls** or by writing to PO Box 9490, Boston, MA 02205-9490.

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Joseph J. Chessey, Jr., Deputy Commissioner

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Senior Work-Off Abatement Program

written by Kathleen Colleary

Over the past few years a number of communities have instituted programs to assist senior citizens in paying their local property taxes. Under these "work" programs, cities and towns appropriate funds to employ seniors who perform needed work for the community at an hourly rate. Typically, these programs establish eligibility criteria seniors must meet to participate, and fix the hourly rate and total earnings paid. Instead of giving the seniors a paycheck, however, the treasurer issues vouchers for their net earnings. Seniors then take the vouchers to the collector's office to have them applied against their outstanding property taxes, or other municipal charges such as water or sewer bills. Alternatively, upon joining the program the seniors agree to have their net earnings credited directly to their bills. These programs have proved popular, but participating seniors do not receive an abatement or exemption. They are employees receiving earned income.

In order to address any state tax, minimum wage or other employment issues raised by these programs, the Legislature recently enacted a local option abatement for seniors patterned after their operation.[1] Under the new option, participating taxpayers volunteer their services to the municipality in exchange for an actual abatement of their tax bills. Taxpayers, who must be over 60 years old, are credited at an hourly rate that cannot exceed the state's minimum wage for their services. That wage rate is $6 an hour effective January 1, 2000, and is scheduled to increase to $6.75 effective January 1, 2001. They may earn a maximum property reduction of $500 per fiscal year. The amount of the reduction is not considered income or wages for state income tax withholding, unemployment compensation or workmen's compensation purposes. Participants are still employees for municipal tort liability purposes, however.

Abatements earned under the program are credited directly to a senior's actual tax bill and charged to the overlay account. The department supervising the senior's volunteer services certifies to the assessors the amount of money earned for services, as of the time the actual tax for the fiscal year is committed. The actual tax bill is then issued for the full year's tax, with the reduction shown on the bill as an abatement credit against the total tax. A copy of the certification must also be sent to the senior before the actual tax bill is issued.

Assessors credit earned abatements directly to seniors' tax bills.

Taxpayers may receive abatements under the work-off program in addition to any personal or residential exemptions they qualify for under other statutes. They may also defer the balance of their taxes if they are eligible to do so.

To implement the new abatement option, a community must first accept M.G.L. Ch. 59 § 5K by vote of town meeting, town council or city council, with the mayor's approval if required by law. After acceptance, the board of selectmen, town council or mayor with approval of the city council may implement a senior work-off program. The municipality should establish, preferably through by-law or ordinance, consistent rules and procedures for the program. Since any abatement must be credited to the actual tax bills, communities planning to implement the program for fiscal year 2001 should accept the statute and establish program rules this spring.

Program rules should establish age, income, domicile and other eligibility standards the community considers appropriate for ensuring that the intended seniors benefit. A municipality may also want to establish a cap on its overlay exposure by limiting the number of seniors that may participate annually. The rules might also give responsibility for coordinating the program to a particular board or officer, or place limits on department heads for enlisting senior volunteers.

The rules should also set the hourly rate to be used in determining the abatements. That rate cannot be more than the state minimum wage. It should

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LEGAL

in Our Opinion

Privatization Law Resists Court Challenge

The Supreme Judicial Court ruled in February 2000 that the State Auditor did not exceed his authority when he objected to an MBTA contract with a private firm for the cleaning and maintenance of bus shelters. The decision is *Massachusetts Bay Transportation Authority v. Auditor of the Commonwealth.*[1]

In order to raise revenue, the MBTA decided to allow a private company to place advertising on 198 MBTA bus shelters. The MBTA's invitation for bids also required the successful bidder to clean, maintain, and if necessary replace the shelters, work ordinarily performed by its own employees. Since the MBTA wished to use a private contractor to provide these services, the agency was required to submit the proposed contract to the State Auditor for approval in accordance with M.G.L. Ch. 7 §§ 52–55. This legislation was enacted in 1993 to regulate privatization contracts since, in the words of the Legislature, privatization "does not always promote the public interest." By statute, the State Auditor must approve every privatization contract valued at $100,000 or more.

In the case at hand, the State Auditor withheld his approval. The Auditor rejected the proposed contract because the MBTA had not satisfied the requisites of the law. First, the MBTA had not shown that the proposed contract costs would be less than the estimated costs of using MBTA employees for these services. The Auditor noted that the MBTA and the proposed vendor had derived their cost estimates using different numbers of bus shelters. Secondly, the MBTA had failed to furnish certificates of good standing from the IRS and the Department of Revenue for the proposed vendor's subcontractor. The privatization law expressly requires demonstration that a bidder has historically complied with relevant state and federal statutes.

The MBTA immediately filed suit in the superior court on statutory and constitutional grounds. In its pleadings, the MBTA alleged that the Auditor had not complied with the terms of the privatization law. The MBTA also claimed the privatization law was unconstitutional. The superior court ruled in favor of the State Auditor. On appeal, the case came before the Supreme Judicial Court.

The Supreme Judicial Court first observed that the Auditor, due to an 1855 amendment to the Massachusetts Constitution, was a constitutional officer elected by the public whose authority could not be reduced by statute. The Legislature, however, could grant *additional* statutory powers to a constitutional officer. Such was the case here where the Legislature entrusted the Auditor with review of proposed privatization contracts. According to the court, the Legislature contemplated that the Auditor would use good judgment and discretion in his contract review.

At issue was the power of the Auditor to reject a privatization contract that, in his view, did not meet the tests set forth in the law. The court stated that the standard of review was whether the Auditor had made a substantial error that materially affected the rights of the parties. Under the facts presented, the court wrote that the MBTA failed to demonstrate that the proposed vendor's costs were less than the cost of having the MBTA's employees perform the work, since the cost estimates were not based on the same number of bus shelters. Furthermore, the vendor had not shown historic compliance with federal and state statutes. In the court's view, the Auditor had acted reasonably and had not abused his discretion in rejecting the privatization plan.

The Supreme Judicial Court then turned to the constitutional argument. The MBTA alleged that the privatization statute impermissibly allowed the Auditor to overrule decisions of an agency within the executive branch. The court ruled, however, that the MBTA was not a proper party to bring the claim. The MBTA lacked standing since state agencies, as a general rule, may not challenge the constitutionality of a state statute. The court declined to extend its finding in *LaGrant v. Boston Housing Authority.*[2] In *LaGrant*, the Supreme Judicial Court had held that the Boston Housing Authority had standing to argue that the retrospective effect of a legislative act constituted a legislative encroachment on the judicial branch of government. Unlike the situation in *LaGrant*, both parties in this lawsuit were within the executive branch. Although the MBTA lacked standing, another plaintiff could legally challenge the constitutionality of the privatization legislation. In the court's view, a private firm that is denied a contract might have standing to challenge the constitutionality of this legislation. Alternatively, 24 taxable inhabitants of the Commonwealth would also have standing to bring suit under M.G.L. Ch. 29 § 63.

Accordingly, the Supreme Judicial Court held that the Auditor had not abused his discretion in rejecting the proposed contract. No decision, however, was made regarding the constitutionality of the privatization law. ■

written by James Crowley

1. 430 Mass. 783 (2000).
2. 403 Mass. 328 (1988).

Focus on Municipal Finance

More Than Half of Communities Now Use Quarterly Bills

Although Massachusetts General Laws provide for semi-annual tax bills, Massachusetts' communities have an option that allows for the use of quarterly tax bills.[1] This local option enables cities and towns to collect the property tax four times a year instead of twice, increasing interest earnings and reducing borrowing costs. With semi-annual billing, property tax bills are mailed twice a year, ideally October 1 and April 1. Taxes are collected twice a year with November 1 and May 1 the statutory due dates. In reality, many tax bills are mailed late, with some but not all delays attributable to revaluation. Communities with quarterly tax bills mail two preliminary bills by July 1 and the two actual bills by December 31.[2] They receive payments four times a year due on the first of August, November, February and May. The first two payments are equal to one half of the prior year's bills with limited exceptions. The prior year's net tax may be adjusted to reflect the annual 2.5 percent tax increase allowed under Proposition 2½ and any tax increase attributable to approved overrides or exclusions. The final two quarters represent the actual tax payments owed minus the first and second payments.

The quarterly billing option became effective on July 1, 1990. Watertown was the first Massachusetts municipality to issue a quarterly property tax bill with North Reading and Manchester close behind. Revenue anticipation borrowing among communities using quarterly tax bills decreased dramatically in the first year quarterly bills were implemented. A comparison of revenue anticipation loans for FY1990 and FY1991 for the 36 communities which initially adopted quarterly bills indicated that such borrowing decreased by 87.5 percent during this time.

By FY1999, the number of communities using quarterly tax billing had grown to 187. In FY1998, 14 of those communities issued revenue anticipation notes (RANS) in a total amount of $18.4 million. Only seven issued RANS in FY1999 in a total amount of $16 million. In contrast in FY1998, 39 of the 164 communities that retained semi-annual billing issued $64.1 million in revenue anticipation notes. In FY1999, 32 communities issued $47 million in RANS. Although there were 23 more communities with quarterly tax billing than those on the semi-annual schedule, the communities retaining semi-annual bills issued 3.5 times as much debt in anticipation of revenue in FY1998 and three times as much in FY1999. It is also interesting to note that in FY1999 the quarterly communities represented 53 percent of the total number of communities but 72.8 percent of the total statewide municipal tax levy, while the semi-annual communities included 46.7 percent of all communities but represented only 27.2 percent of the total levy.

Most people agree that sending quarterly bills involves more work for the collector's office, at least initially. We wondered if spending for collector's offices in communities with quarterly billing was higher, as a percentage of the total budget, than spending in communities with semi-annual billing. To make the comparison as fair as possible, we included only communities with a separate budget for the collector's office.[3] The information was taken from FY1998 Schedule A.[4] The median percentage of the total levy allocated to the collector's office for all communities with a separate collector's budget was 0.46 percent. In the 113 semi-annual tax billing communities with separate collector's budgets, the median collector's budget as a percentage of the total budget was 0.49 percent. For the 102 communities with quarterly billing included in this analysis, the median percentage of collector's budget as a percentage of the total budget was 0.42 percent — slightly less than the median for semi-annual communities. Of more interest, 69 percent of the communities retaining semi-annual billing have a separate collector's budget. Only 54.5 percent of the quarterly billing communities have a separate collector's budget. Combined offices may have more staff to deal with the peaks in the workload caused by quarterly billing. Also, if not separate, the collector's function is usually combined with that of the treasurer. Perhaps a collector/treasurer has a different perspective in evaluating the benefits to cash flow generated by quarterly billing versus the negative of the extra work involved.

Since Southampton adopted quarterly billing as of FY1999, they were included as semi-annual in the FY1998 analysis. They borrowed $900,000 in RANS in FY1998 and nothing in FY1999. Northampton and Canton have adopted quarterly billing beginning in FY2000, but were semi-annual in the time period discussed in this article.

The towns of Dennis and Plympton adopted quarterly billing but, after a trial period, returned to semi-annual billing. Carolyn Northon, Tax Collector for Plympton, says that she was not given any additional staff to implement the quarterly system. She found that "There was no down time to catch up. We were still sending demand notices for one fiscal year when it was time to mail out the first bills for the next year." Plympton had never borrowed in anticipation of revenue, so the town meeting supported the return to semi-annual bills. Eric Kinsherf, Treasurer/Collector for the Town of Dennis, was in another

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Billing Type, Short-Term Borrowing and Budgets for FY1998 and FY1999

Budget and RANS figures denoted in thousands of dollars.

Municipality	Type	FY98 RANS*	FY98 Collector's Budget	FY98 Total Budget	FY98 Collector's % Total	FY99 RANS*	FY99 Total Budget
Abington	S			24,912			26,530
Acton	Q		183	41,922	0.44		43,894
Acushnet	S		66	14,928	0.44		16,158
Adams	S		0	9,453			9,802
Agawam	S		0	45,302			49,427
Alford	S	175	5	806	0.56		885
Amesbury	Q		0	32,066			34,609
Amherst	Q		225	45,172	0.50		48,289
Andover	Q		0	78,412			86,206
Aquinnah	S		29	1,772	1.65		1,873
Arlington	Q		0	78,077			83,615
Ashburnham	S	1,825	0	7,237		1,750	7,086
Ashby	S	550	32	3,054	1.04	500	3,332
Ashfield	S	1,350	4	2,566	0.16	1,700	2,723
Ashland	Q		0	24,687			27,603
Athol	S	800	85	9,712	0.88		10,596
Attleboro	Q		155	72,023	0.21		77,078
Auburn	Q		95	24,146	0.39		25,939
Avon	Q		23	10,108	0.22		10,929
Ayer	S		46	16,524	0.28	1,500	17,764
Barnstable	S	18,000	364	92,155	0.39		95,521
Barre	S	900	52	6,240	0.84		5,931
Becket	S	286	29	2,927	0.98	313	3,300
Bedford	Q		0	38,296			42,022
Belchertown	Q		0	27,473			23,894
Bellingham	Q		154	31,468	0.49		30,965
Belmont	S		0	60,640			60,990
Berkley	Q	350	52	8,103	0.64		9,096
Berlin	S		17	4,870	0.34		5,352
Bernardston	S		8	2,254	0.34		2,785
Beverly	Q		0	71,080			75,672
Billerica	Q		0	76,542			83,082
Blackstone	S	800	0	8,378		700	9,868
Blandford	Q	600	11	1,455	0.78		1,611
Bolton	S		36	7,825	0.46	2,300	9,420
Boston	Q		2,175	1,490,681	0.15		1,604,211
Bourne	Q		120	34,650	0.35		32,921
Boxborough	S		47	9,974	0.47		10,373
Boxford	Q		0	14,990			17,412
Boylston	S		29	6,238	0.47	600	6,831
Braintree	Q		249	72,400	0.34		77,213
Brewster	S		0	25,382			22,418
Bridgewater	S	3,500	102	27,177	0.38	4,500	29,478
Brimfield	Q		39	5,390	0.73		5,754
Brockton	Q	8,000	0	207,745			222,691
Brookfield	Q		15	4,950	0.30		5,662
Brookline	Q		0	136,402			144,275
Buckland	Q		0	2,517			2,721
Burlington	Q		0	58,431			63,461
Cambridge	S		309	298,222	0.10		319,101
Canton	S		0	44,636			45,656
Carlisle	S		35	12,032	0.29		12,822
Carver	S		164	22,346	0.74		24,869
Charlemont	S	250	8	1,778	0.43	250	2,142
Charlton	S		64	10,172	0.63		11,178
Chatham	S		0	24,156			25,302
Chelmsford	Q		0	62,632			66,766
Chelsea	Q		0	82,433			86,241
Cheshire	S	600	29	2,936	1.00		3,072
Chester	Q	450	9	1,518	0.58		1,535

Municipality	Type	FY98 RANS*	FY98 Collector's Budget	FY98 Total Budget	FY98 Collector's % Total	FY99 RANS*	FY99 Total Budget
Chesterfield	Q		10	1,690	0.58		1,736
Chicopee	S		273	93,699	0.29		101,504
Chilmark	S	325	38	3,627	1.04		4,208
Clarksburg	Q		11	2,434	0.47		2,644
Clinton	Q		282	21,413	1.32		23,060
Cohasset	Q		95	18,948	0.50		21,462
Colrain	S	700	9	2,170	0.42	500	2,018
Concord	Q		0	38,868			40,807
Conway	S		10	3,532	0.27		3,717
Cummington	S		7	1,210	0.56		1,437
Dalton	S		45	8,550	0.52		9,826
Danvers	Q		0	57,033			58,573
Dartmouth	Q		235	41,835	0.56		43,492
Dedham	Q		217	47,546	0.46		50,013
Deerfield	S		0	8,407			9,177
Dennis	S	2,000	0	28,464			29,479
Dighton	S		40	7,911	0.50		7,757
Douglas	Q		47	12,287	0.38		13,159
Dover	Q		0	12,995			13,859
Dracut	Q		158	40,955	0.39		44,951
Dudley	Q		59	8,399	0.70		8,996
Dunstable	S		16	4,245	0.39		4,090
Duxbury	Q		0	35,376			36,543
E. Bridgewater	S		246	25,455	0.97		25,296
E. Brookfield	S		11	1,948	0.56		2,182
E. Longmeadow	S		0	26,959			28,243
Eastham	S	1,250	0	12,322		1,850	12,417
Easthampton	Q		96	24,546	0.39		27,032
Easton	Q		0	36,175			39,110
Edgartown	S	3,000	96	15,288	0.63	1,250	16,741
Egremont	Q	335	38	2,527	1.49	1,050	2,594
Erving	S		18	3,965	0.45		4,855
Essex	Q		0	6,165			6,798
Everett	S	4,000	0	78,518			82,318
Fairhaven	S		142	29,156	0.49		34,134
Fall River	S		0	156,315			166,767
Falmouth	S		197	63,300	0.31		66,407
Fitchburg	S	4,600	0	73,883			77,967
Florida	S		4	2,193	0.19		2,076
Foxborough	S		0	30,752			32,631
Framingham	Q		0	137,942			147,627
Franklin	Q		0	54,945			59,473
Freetown	Q		52	11,860	0.43		12,165
Gardner	S		58	34,304	0.17		38,041
Georgetown	Q		0	14,017			14,672
Gill	S		7	1,533	0.43		1,638
Gloucester	Q		0	59,047			63,352
Goshen	S	250	13	1,228	1.06	100	1,393
Gosnold	S		0	781	0.05		838
Grafton	S		0	21,002			22,031
Granby	S		36	9,686	0.37		10,028
Granville	S		14	2,904	0.50		2,942
Grt. Barrington	S		113	13,093	0.86		13,509
Greenfield	S		0	33,852			40,154
Groton	Q		74	15,396	0.48		17,034
Groveland	Q		58	7,897	0.73		7,879
Hadley	Q		55	8,253	0.67		9,272
Halifax	S		82	11,606	0.70		12,776
Hamilton	Q		5	13,511	0.04		14,166
Hampden	Q	800	34	6,037	0.57	1,300	6,377

Municipality	Type	FY98 RANS*	FY98 Collector's Budget	FY98 Total Budget	FY98 Collector's % Total	FY99 RANS*	FY99 Total Budget
Hancock	S		6	1,054	0.58		1,129
Hanover	S		103	28,505	0.36		30,160
Hansen	S	1,000	0	12,708			13,511
Hardwick	S		13	3,264	0.41		3,375
Harvard	Q		0	12,574			12,914
Harwich	S		0	30,433			31,776
Hatfield	S		30	6,246	0.48		6,162
Haverhill	Q		281	145,458	0.19	5,000	152,093
Hawley	S		4	473	0.88	100	569
Heath	S	200	8	1,659	0.46	150	1,369
Hingham	Q		0	43,041			46,653
Hinsdale	S		18	2,893	0.63		3,468
Holbrook	Q		0	20,594			20,958
Holden	Q		0	21,263			24,049
Holland	S		36	4,723	0.76		4,109
Holliston	Q		0	26,801			28,679
Holyoke	Q		170	105,715	0.16		113,963
Hopedale	Q		0	11,741			11,832
Hopkinton	S		0	25,887		3,100	28,594
Hubbardston	S	1,200	32	3,747	0.86	1,475	3,875
Hudsen	Q		0	33,644			34,568
Hull	S		136	23,660	0.58		25,469
Huntington	Q		31	2,406	1.29		2,383
Ipswich	S		0	23,767			25,645
Kingston	Q		97	20,115	0.48		19,785
Lakeville	Q		0	12,290			13,353
Lancaster	S		0	7,261			8,443
Lanesborough	Q	900	20	5,296	0.38		5,860
Lawrence	Q		327	153,831	0.21		162,473
Lee	S		49	11,410	0.43	500	11,852
Leicester	Q	1,300	73	17,141	0.43	1,300	18,369
Lenox	S		47	14,773	0.32		13,959
Leominster	Q		187	65,995	0.28		75,924
Leverett	S		9	2,944	0.31		3,228
Lexington	Q		0	85,444			91,845
Leyden	Q		5	980	0.56		891
Lincoln	S		0	19,124			19,197
Littleton	S		52	16,644	0.31		17,166
Longmeadow	Q		74	34,314	0.22		35,734
Lowell	Q		0	219,791			236,285
Ludlow	Q		145	32,933	0.44		34,111
Lunenburg	Q		67	14,971	0.45		15,360
Lynn	Q		364	169,275	0.21		183,045
Lynnfield	Q		45	20,927	0.22		22,208
Malden	Q		376	90,367	0.42		97,756
Manchester	Q		0	15,793			15,546
Mansfield	S		0	41,717			51,532
Marblehead	Q		0	41,482			44,154
Marion	Q		25	10,419	0.24		11,408
Marlborough	Q		190	68,409	0.28		76,291
Marshfield	Q		0	44,492			53,085
Mashpee	Q		0	29,231			30,873
Mattapoisett	S		0	11,908			13,853
Maynard	Q		0	18,855			20,500
Medfield	Q		0	24,016			26,848
Medford	Q		0	98,175			101,024
Medway	Q		0	23,788			25,177
Melrose	Q		0	48,346			51,507
Mendon	S	1,100	35	7,043	0.49	2,150	6,653
Merrimac	Q		48	8,528	0.56		9,004

Municipality	Type	FY98 RANS*	FY98 Collector's Budget	FY98 Total Budget	FY98 Collector's % Total	FY99 RANS*	FY99 Total Budget
Methuen	Q		0	75,711			79,441
Middleborough	S		0	40,084			41,260
Middlefield	Q		3	765	0.41		738
Middleton	Q		0	12,017			13,222
Milford	S		145	48,387	0.30		50,567
Millbury	S		103	17,238	0.60		18,414
Millis	S		46	14,277	0.33		15,795
Millville	Q		0	3,006			3,072
Milton	Q		0	49,674			53,754
Monroe	S		2	466	0.49		488
Monson	Q		87	15,105	0.57		16,140
Montague	S		0	10,325			11,167
Monterey	S	400	16	1,821	0.86	300	1,905
Montgomery	Q		14	1,391	0.97		1,161
Mt. Washington	S		2	392	0.46		364
Nahant	S		0	7,283			7,716
Nantucket	Q		0	48,982			51,583
Natick	Q		221	68,109	0.32		72,791
Needham	Q		0	68,162			73,111
New Ashford	S		1	368	0.22		340
New Bedford	S		0	193,171		12,000	202,660
New Braintree	Q		5	1,110	0.44		1,114
New Marlborough	S	450	28	2,456	1.12	700	2,391
New Salem	S	450	5	1,222	0.44	250	1,360
Newbury	Q		40	9,635	0.42		10,147
Newburyport	Q		0	31,876			35,153
Newton	Q		39	206,550	0.02		212,624
Norfolk	Q		0	16,568			18,365
N. Adams	S	4,250	0	28,630			30,448
N. Andover	Q		0	47,705			50,094
N. Attleborough	Q		144	48,804	0.30		54,045
N. Brookfield	Q		41	8,144	0.50		9,054
N. Reading	Q		161	29,702	0.54		32,220
Northampton	S		151	52,358	0.29		54,322
Northborough	Q		0	23,608			26,228
Northbridge	Q		0	22,797			24,309
Northfield	S		16	3,712	0.42		3,982
Norton	S		75	28,225	0.26		30,849
Norwell	S		119	23,168	0.52		23,742
Norwood	S		0	82,229			82,253
Oak Bluffs	S		132	12,515	1.05	1,400	12,928
Oakham	S		8	1,632	0.51		1,889
Orange	S		39	14,099	0.28		15,632
Orleans	S		86	16,174	0.53		17,107
Otis	Q		37	2,734	1.35		2,908
Oxford	S		0	19,848			23,820
Palmer	Q		98	23,351	0.42		24,605
Paxton	S		27	5,533	0.49		6,017
Peabody	S		270	93,880	0.29		95,043
Pelham	Q		17	2,237	0.78		2,543
Pembroke	S		143	26,896	0.53	3,000	27,835
Pepperell	Q		0	14,618			14,052
Peru	S		4	976	0.41	200	996
Petersham	S	250	9	1,856	0.50		1,627
Phillipston	S		10	1,523	0.67		1,724
Pittsfield	Q		111	81,484	0.14		85,980
Plainfield	S		8	1,356	0.58		953
Plainville	S		51	11,141	0.46		12,708
Plymouth	Q		227	103,054	0.22		110,989
Plympton	S		31	4,163	0.74		4,372
Princeton	S		33	5,399	0.60		6,017
Provincetown	S		0	15,237			15,501
Quincy	Q		0	164,356			177,531
Randolph	Q		205	50,199	0.41		55,168
Raynham	Q		87	14,273	0.61		15,958
Reading	Q		0	49,841			53,163
Rehoboth	Q	500	61	10,844	0.56		11,501
Revere	Q		0	80,050			85,130
Richmond	Q		17	3,502	0.48		3,405
Rochester	S		22	8,881	0.25		9,289
Rockland	Q		102	32,764	0.31		34,705
Rockport	S		0	19,086			20,302
Rowe	S		4	2,633	0.15		2,029
Rowley	Q		0	7,699			8,385
Royalston	S		6	1,971	0.30		2,290
Russell	S		14	2,552	0.54		2,614
Rutland	S		0	6,939			7,716
Salem	Q		120	80,119	0.15		85,180
Salisbury	Q		0	11,656			12,640
Sandisfield	S		8	1,468	0.55		1,859
Sandwich	Q		140	34,597	0.40		36,801
Saugus	Q		28	48,269	0.06		47,472
Savoy	S		3	1,090	0.27		1,269
Scituate	Q		0	36,149			41,419
Seekonk	Q		91	24,419	0.37		25,848
Sharon	S		0	35,025			37,854
Sheffield	Q		0	5,591			5,328
Shelburne	S	435	15	2,349	0.64	775	2,659
Sherborn	S	600	76	11,445	0.66	300	11,809
Shirley	Q		62	8,778	0.70		9,161
Shrewsbury	Q		0	48,909			51,258
Shutesbury	S		18	3,428	0.52		3,914
Somerset	Q		119	35,493	0.33		36,252
Somerville	S		0	130,281			137,621
S. Hadley	Q		100	25,564	0.39		25,849
Southampton	S	900	0	7,595			8,075
Southborough	Q		0	17,599			19,950
Southbridge	Q		107	30,260	0.35		32,012
Southwick	S		0	9,937		1,000	11,015
Spencer	S		73	10,240	0.71		11,674
Springfield	Q		502	326,235	0.15		356,945
Sterling	Q	600	51	10,588	0.48		11,031
Stockbridge	S		48	4,802	0.99		5,387
Stoneham	Q		0	42,624			44,247
Stoughton	S		0	51,644			55,329
Stow	Q		0	10,458			11,443
Sturbridge	S		0	14,546			14,389
Sudbury	Q		0	41,081			41,970
Sunderland	S		0	4,505			4,840
Sutton	Q		49	12,388	0.39		14,317
Swampscott	Q		132	29,543	0.45		31,022
Swansea	Q	1,100	131	21,319	0.61	900	22,316
Taunton	S		326	104,183	0.31		110,072
Templeton	Q	500	38	7,411	0.51		7,263
Tewksbury	Q		0	52,559			56,836
Tisbury	Q		0	11,892			13,207
Tolland	S	100	4	549	0.73	150	566
Topsfield	S	750	0	11,225			12,813
Townsend	S	1,300	53	10,159	0.52		10,872
Truro	S		0	6,635			7,134
Tyngsborough	S		77	19,530	0.39		21,259
Tyringham	S		3	1,003	0.29		942
Upton	Q		0	7,329			7,856
Uxbridge	Q		0	19,424			22,356
Wakefield	Q		148	49,237	0.30		54,691
Wales	Q		8	2,568	0.33		2,705
Walpole	Q		127	42,384	0.30		43,717
Waltham	Q		0	120,300			130,836
Ware	S	3,700	88	16,253	0.54	1,800	17,794
Wareham	Q		133	37,537	0.35		40,908
Warren	S		43	4,960	0.86		5,193
Warwick	S	450	6	1,091	0.58		995
Washington	S		4	911	0.47		847
Watertown	Q		0	64,063			68,596
Wayland	Q		0	36,187			37,551
Webster	S		109	24,349	0.45		26,639
Wellesley	Q		0	58,796			60,646
Wellfleet	S		39	9,927	0.39		9,535
Wendell	Q	500	12	1,370	0.86	200	1,420
Wenham	Q		0	6,932			7,489
W. Boylston	Q		0	12,271			12,619
W. Bridgewater	Q		77	14,250	0.54		14,258
W. Brookfield	S		27	4,026	0.67		4,678
W. Newbury	Q		0	7,255			7,113
W. Springfield	Q		138	54,754	0.25		57,668
W. Stockbridge	Q		15	2,822	0.53		2,921
W. Tisbury	Q		40	7,434	0.54		7,472
Westborough	Q		95	42,343	0.22		45,683
Westfield	S		0	74,551			79,263
Westford	Q		136	37,815	0.36		44,709
Westhampton	Q		7	2,643	0.27		2,741
Westminster	S		0	9,273			9,774
Weston	Q	2,500	0	36,860		6,250	39,118
Westport	Q		110	19,044	0.58		20,330
Westwood	Q		126	35,106	0.36		37,850
Weymouth	Q		0	92,827			100,939
Whately	S	600	0	2,905			3,094
Whitman	S	750	99	18,328	0.54		19,771
Wilbraham	Q		0	19,436			21,333
Williamsburg	S		29	3,577	0.81		3,766
Williamstown	S		0	13,392			13,877
Wilmington	Q		0	40,400			42,888
Winchendon	S		0	20,319			20,870
Winchester	Q		0	46,718			48,307
Windsor	S		7	1,057	0.71		1,217
Winthrop	Q		82	28,862	0.28		29,651
Woburn	Q		361	74,769	0.48		80,506
Worcester	Q		0	355,960			374,540
Worthington	Q		12	2,011	0.58		1,649
Wrentham	Q		80	20,091	0.40		19,875
Yarmouth	S		150	49,546	0.30		49,525
Totals		82,481	19,172	12,622,551	0.46	63,163	13,456,710

*Revenue Anticipation Notes

Table 1

Quarterly Tax Bills
➡ *continued from page three*

community when the changes to Dennis's billing system occurred. He understands that there were problems because of the lack of staff to deal with the additional billing and posting involved with quarterly tax bills, as well as some problems with their lockbox. "I have also heard that some of the taxpayers, especially the business owners, preferred to retain the old system because it left the money in their bank accounts rather than those of the Town," said Kinsherf.

Quarterly tax bills allow taxpayers to make smaller payments and provide them with better assurance regarding payment due dates. They provide communities with a more evenly distributed level of income, and the potential to increase investment income and reduce, if not eliminate, tax anticipation borrowing costs. Although there are definite benefits to adopting the quarterly system, it may not be the right choice for all communities. However, the potential advantages dictate that each community at least consider the possibility of adopting the quarterly system. ■

written by Jean McCarthy
data provided by Dora Brown

1. M.G.L. Ch. 59 § 57C.
2. Some communities mail the four bills separately.
3. Sixty-nine percent of semi-annuals and 54.5 percent of quarterly communities are included.
4. Only 235 of the 351 Schedule A are available in our data base for FY1999.

Special thanks to Debbie DePerri Ferlito, who provided the data for the Focus articles in the February and March 2000 issues of City & Town*; and to Medi Ba for his assistance on the March 2000* City & Town *Focus article.*

End of Year Pupil and Financial Report

Commencing with the End of Year Pupil and Financial Report 1999–2000 (EOYR), the Department of Education (DOE) will be issuing a Compliance Supplement for municipal auditors to use as part of the annual municipal and A-133 audit. Currently, DOE regulations require that every school district shall, within nine months of the close of its fiscal year, arrange for and undergo an independent audit of its financial records and submit the audit report to DOE. Further, this requirement shall be satisfied if the school district's records are audited as part of a general audit of all municipal financial records. Most municipalities and school districts utilize the general audit to satisfy the school district financial audit requirement; however, many public accounting firms do not perform a detailed review of the EOYR, which is the primary financial report submitted to DOE by school districts. To assure the accuracy, reliability, and consistency of the data in the EOYR, DOE has developed the Compliance Supplement.

The Compliance Supplement consists of three parts: (1) Introduction and Scope; (2) Audit Objective, Suggested Audit Procedures, and Reporting Compliance Requirements; and (3) Reporting. The purpose of the Compliance Supplement is to provide guidance in the conduct of an independent audit for managing and reporting financial and non-financial information the school district is required to report on the EOYR. The objectives of the Compliance Supplement are to determine whether:

- Financial data reported on all EOYR schedules are traceable to the detail contained in the municipal or district accounting ledgers or records or to a documented methodology;
- Non-financial data reported on all EOYR schedules are traceable to the district's records or to a documented methodology;
- There are documented methodologies supporting the financial and other reported information contained in these schedules, whether these methodologies were followed, and whether the methodologies are reasonable; and
- Internal controls exist to provide reasonable assurance that the revenues, expenditures, and other data are accounted for consistent with DOE regulations and guidelines.

The Compliance Supplement requirements, objectives, and procedures are intended to be consistent with the objectives and requirements of Part 3, Compliance Requirement L, Reporting Requirements of the April 1999 OMB A-133 Compliance Supplement. The DOE Compliance Supplement is written with the understanding that the internal control systems for the school district EOYR financial and other reported data are subject to the same tests as other municipal data.

During January and February, the Compliance Supplement has been pilot tested by five independent public accounting firms in 11 school districts. These school districts are representative of the school districts across the Commonwealth and include urban, suburban, regional and regional vocational school districts. In March and April DOE will review the results of the 11 pilot tests and revise the Compliance Supplement for clarity and other changes resulting from the pilot tests. By May, DOE plans to have the Compliance Supplement ready for the FY2000 EOYR audit and will promulgate the Compliance Supplement to independent public accounting firms who perform municipal audits. DOE also plans to conduct training and orientation sessions for public accounting firms in June/July. ■

DLS UPDATE

Financial Management Assistance Program

Does your municipality need assistance to address difficult financial management issues or cope with a specific fiscal problem? The Division of Local Services offers financial management consulting services that draw upon our many fields of expertise. The Division has completed over 200 projects for a wide range of cities and towns, resulting in comprehensive, written reports with results-oriented and practical recommendations.

The Division offers two basic approaches to financial management assistance to cities and towns. The first, the financial management review, is an assessment of the overall financial operations of the community, including a review of the financial offices, the budget process, and capital planning. In the second approach, the Local Services' staff focuses on a particular problem identified by the local officials. Examples include costing municipal services, revenue and expenditure forecasting, and analyzing specific financial problems. For more information on the Divisions' financial management assistance program please call Rick Kingsley at (617) 626-2376.

Sewer Rate Relief Distributed

For fiscal year 2000, 129 communities will receive a total of $58.9 million in sewer rate relief. This is a 12.8 percent increase from last year. The total distributed has increased each year for the past seven years. The bulk of the sewer relief aid, $48.9 million, will be shared by 52 communities within the Massachusetts Water Resources Authority. The South Essex Sewerage District will receive $2 million for its six member communities. The remaining $8 million will be distributed among 94 cities, towns and commissions, including 13 communities that will receive aid for the first time: Amesbury, Auburn, Ayer, Grafton, Holden, Manchester, Millbury, Otis, Randolph, Rutland, Walpole, West Boylston and Westborough. The Upper Blackstone Water Pollution Abatement District with six member communities is also a first time recipient.

The Commonwealth Sewer Rate Relief Fund was established in 1993 to provide assistance to mitigate sewer rate increases especially for the MWRA service area because of the federal court-ordered Boston Harbor clean-up project. Construction of the new wastewater treatment facility on Deer Island in Boston Harbor is now approximately 98 percent complete. Significant future projects include completion of the treatment plant and outfall tunnel, as well as addressing pollution caused by combined sewer overflows. The MWRA is also constructing a new 18-mile water supply tunnel to provide a necessary back up for the Hultman Aqueduct that has been operating since the 1940s. Over the years the program has expanded to cover sewer related costs for communities throughout the state. This year the Town of Otis will receive funds to offset the cost of constructing a sewer system for the village center.

The Legislature appropriated $53,914,000 for sewer rate relief in the FY2000 state budget. Balances from prior year appropriations along with the current appropriation actually provide over $67 million for payment of the FY2000 awards.

Teachers' Pay Deferral

The Legislature authorized the deferral of teacher's summer pay in FY1992 and in FY1993. Communities and districts could roll over the cumulative amount of their deferrals until 1997, when they had to begin to amortize the deferrals by raising at least one-fifteenth of the total deferral amount each year, in their tax rates or regional budgets, until the amount deferred is completely amortized.

Seventy-five cities and towns have utilized Teachers' Pay Deferral, deferring more than $75 million. To date, 39 have raised the entire amount they deferred, and 23 have raised substantial amounts. Only 13 have chosen to raise the minimum required. ■

Abatement Program

➡ *continued from page one*

probably be no lower than the federal minimum wage in the event participants are not considered exempt volunteers under the federal Fair Labor Standards Act. The federal minimum wage is currently $5.15 per hour.

For further information about implementing this new option, please refer to Informational Guideline Release 00-201, *Senior Citizen Property Tax Work-Off Abatement*, which was issued in January to assessors and other officials. ■

1. M.G.L. Ch. 59 § 5K.

Municipal Fiscal Calendar

May 1

Taxpayer: *Deadline for payment of semi-annual and quarterly tax bill without interest.*

Treasurer: *Deadline for payment of second half of county tax.*

Accountant/Treasurer: *Notification of amount of debt due in next fiscal year.*

May 15

Treasurer: *Third quarterly reconciliation of cash (due 45 days after end of quarter).*

Where in Massachusetts?

Do you know where to find:

1. Bigelow Hollow?

2. Sheldonville?

3. Long Neck?

4. Hasting's Heights?

Answers: 1. North Brookfield; **2.** Wrentham; **3.** Truro; **4.** Holyoke. ■

Mark Your Calendars — Opportunities for Training

Classification Training Workshops will be held in conjunction with Course 101 in Room 201, Melville Hall, Berkshire Community College on Wednesday, May 3, 2000, and in the first floor conference room, 51 Sleeper Street in Boston on Tuesday, May 9, 2000, from 7:00 p.m. to 8:30 p.m.

The **New Officials Finance Forum** will be given on Friday, June 2, 2000, at the Ramada Inn, 624 Southbridge Street, Auburn from 8:45 a.m. to 3:00 p.m.

Contact Barbara LaVertue, Coordinator of Training, at (617) 626-2340 for more information. ■

DLS Releases Preliminary FY2001 Cherry Sheets

The Division of Local Services has released preliminary FY2001 Cherry Sheets to each city, town and regional school district based on the proposed appropriations in the Governor's FY2001 state budget proposal (House 1A). These preliminary numbers include detailed estimated receipts and assessments for FY2001 and should be useful for budget planning purposes. Additional copies of municipal and regional preliminary FY2001 Cherry Sheets can be found on the Local Services' website, listed below. As always, once the FY2001 state budget is final, we will issue final FY2001 Cherry Sheets that should be used for setting municipal tax rates. ■

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS website at **www.state.ma.us/dls** or by writing to PO Box 9490, Boston, MA 02205-9490.

Marilyn H. Browne, Managing Editor

Jean M. McCarthy, Editor

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Frederick A. Laskey, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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New Electric Generating Plants for Massachusetts

written by Marilyn H. Browne

As of the spring of 2000, more electric generating power plants are proposed and/or under construction in New England than at any other time in the past 100 years.[1] All of these proposed plants are to be powered by natural gas. The building of the new pipeline connecting Nova Scotia's Sable Island Offshore Energy Project, as well as pipelines bringing gas further into New England from the Gulf of Mexico and western Canada, has made stores of natural gas available within the New England states. Presently, gas fuels only nine percent of electricity produced in New York State and New England. Oil produces 42 percent of the total power for the region, according to 1998 federal statistics, with coal providing 12 percent, hydroelectric power, 15 percent and nuclear power, 20 percent.

Natural gas is an increasingly popular choice for building new electric generating facilities. As the cleanest of the fossil fuels, environmental concerns have made gas an attractive alternative fuel for industrialized areas. Natural gas produces the lowest air-borne emissions of carbon monoxide, sulfur dioxide and related particulate materials. Another advantage is that gas-turbine power plants require less water than other energy sources. Gas-fired plants often have lower capital costs and shorter construction lead times than solid fuel plants, and technological developments have increased the efficiency of natural-gas-fired electric power plants, lowering operating costs.

The Massachusetts Department of Revenue's Division of Local Services (DLS) has been dealing with a number of companies in the natural gas industry for many years. Although all personal property is taxed locally at the city, town or district level, there are two types of businesses whose personal property assessments take a slightly circuitous route before being taxed at the local level. Pipeline companies and telephone and telegraph companies must report certain of their personal property to DLS to be centrally valued. DLS values pipelines (other than distribution lines of gas and electric utility companies) used in transmitting natural gas, petroleum and their by-products for a distance of at least 25 miles.[2] After central valuation, DLS provides the information to local assessors who, in turn, assess a personal property tax to the telephone and telegraph, and pipeline companies with property in their communities.

Natural gas is a popular choice for building new generating facilities.

In addition to the central valuation of pipelines, the restructuring (deregulation) of the electric generating industry has given DLS the responsibility for reviewing appraisals, prepared by or for the board of assessors, or tax agreements for generating plants in their communities. As a result of the restructuring, which took place in 1997, most government-regulated electricity providers moved from generating electricity to distributing it. This opened the electric generation industry to private investors who are now investing capital to construct new gas-fired facilities capable of generating the vast amounts of power that is needed by the electrical grid. The emergence of new sources of natural gas coincides with electric deregulation and the increased pressure to reduce air pollution from oil- and coal-fired power plants.

DLS' responsibilities for both pipeline valuation and appraisal or agreement review of electric generating facilities has given us the opportunity to be aware of new generating plants and additions to existing plants throughout the state. The first new gas-fired plant to be built in New England in eight years was built in Dighton in southeastern Massachusetts. Currently, within the Commonwealth there are new generating plants, plans to build new plants, or plans to construct significant additions in Agawam, Blackstone, Bellingham, Brockton, Charlton, Dracut, Everett, and Weymouth. It should be noted that all of these facilities are located in communities that have existing

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LEGAL

in Our Opinion

Adverse Possession

In February's issue of *City & Town* we discussed an Appeals Court case concerning encroachment by a building on a neighbor's land. Recently, there was a court ruling on the requirements for acquisition of title to real property through adverse possession. The Supreme Judicial Court was asked to determine whether there was a shift in the burden of proof when an adverse possession claim involved family members. The case was *Totman v. Malloy*.

Caroline Totman owned two parcels of land in the Town of Stoughton. In 1952 she conveyed the northern parcel to her son and daughter-in-law, and retained the southern parcel for use as her residence. A beach area near a pond and a strip of land with a stream bordered the two lots. From 1952 until 1989, William Totman maintained the streambed and embankments. He also built a footbridge over the stream to permit his children to visit their grandmother. In addition, he cleaned the beach and did repair work to the dock. In 1989 Caroline Totman conveyed most of her lot to her grandson, Patrick Totman. In 1992, the grandson sold the lot to John and Patricia Malloy.

The Malloys immediately hired a surveyor to determine the exact boundaries of their parcel. William Totman became alarmed when a contractor began to install a fence, thereby depriving him access to the stream and beach areas. Totman filed suit in Land Court, and claimed that he had acquired title to the beach and stream areas through adverse possession.

The Land Court ruled in favor of the Malloys. The Land Court judge recognized that a claimant to property by adverse possession must show an actual, open, notorious, exclusive and *non-permissive* use of land for a continuous period of 20 years. In his decision the judge noted that the claim involved a familial relationship since it concerned a son and his mother who owned adjacent parcels. In the judge's view, where there is such a familial relationship, there must be a presumption of permissive use. Under the facts presented, the Land Court judge ruled that, due to the closeness of the family relationship, William Totman's maintenance of the beach and stream was not sufficiently hostile or adverse to the interests of the record owner to rebut the presumption of permissive use. The judge, therefore, rejected the plaintiff's adverse possession claim.

On appeal, the case came before the Supreme Judicial Court. At issue was whether the Land Court judge erred, as a matter of law, in applying a presumption of permissive use when an adverse possession claim involved relatives. In its ruling, the Supreme Judicial Court declined to create the presumption or inference of permissive use.

The Supreme Judicial Court first observed that the purpose of open and notorious possession was to put the true owner on notice so as to provide an opportunity for legal action to recover the land. The essential legal elements needed to show adverse possession, in the court's view, did not address the intent or the state of mind of the claimant. Another of those critical elements was non-permissive use which is hostile or adverse to the true owner. The Supreme Judicial Court recognized that non-permissive use must be determined from the circumstances of a particular case. Factors which the court would consider would be the location and nature of the property, its use and the relationship of the parties in the dispute. Although the Supreme Judicial Court in prior decisions had recognized that familial relationship did play a role in adverse possession cases, the Supreme Judicial Court had never created a presumption of permissive use when the parties were related.

In the court's view, such a presumption would require plaintiffs in adverse possession cases to furnish more proof if they were related to the record owners. A related party would be required to show evidence of a hostile relationship and thereby compel the court to evaluate the state of mind of a claimant in an adverse possession case. Yet, courts in Massachusetts have long recognized that actions, and not state of mind, are critical in determining non-permissive use. Rather than adopt such a presumption as the States of Colorado and Missouri had done, the Supreme Judicial Court chose to determine non-permissive use on a case by case basis.

Accordingly, the Supreme Judicial Court overruled the lower court decision and sent the case back to the Land Court for further proceedings in light of this decision. ■

written by James Crowley

Electric Generating Plants
➡ *continued from page one*

gas pipelines. Environmental concerns have made building new pipelines a challenge, leaving the future expansion of gas powered utility plants uncertain. ■

1. Natural New England, Belfield Publishing, South Portland, Maine, issue #1.
2. M.G.L. Ch. 59 § 38A.

Focus on Municipal Finance

Room Occupancy Revenues

Local governments constantly seek new revenue sources to support their operations. In Massachusetts, the property tax is the largest single source of revenue for local governments, generating slightly more than half of all local revenues statewide. However, since the implementation of Proposition 2½ limited the property tax, it is important that cities and towns consider alternative sources of revenue, such as the local option hotel–motel excise. In this issue of *City & Town*, we present data to help communities develop reliable projections of the amount of hotel–motel revenue that can be expected for FY2000. Most communities with significant hotel–motel revenue capacity have already adopted this excise, but those communities that have not yet adopted it may want to consider this potential revenue source.

Legislation enacted in 1985 enables local communities to impose a local option hotel–motel excise of up to 4 percent in addition to the state excise of 5.7 percent. Although some communities originally imposed the hotel–motel excise at a lower rate, all adopting communities now levy the excise at 4 percent.[1] *Figure 1* shows that the amount of money distributed to local communities has increased from $9.2 million in FY1986 to $68.9 million in FY1999. *Figure 2* shows that the number of communities imposing the hotel–motel excise has grown from 26 in FY1986 to 154 in FY1999.

Owners of the hotel/motel properties submit the excise collected directly to the state. The Department of Revenue distributes the local portion of the excise to all adopting communities on a quarterly basis in September, December, March and June. Communities with hotel–motel revenues are generally located in resort areas such as Cape Cod and the Berkshires, in major cities and in suburban belts, including towns along Routes 128 and 495.

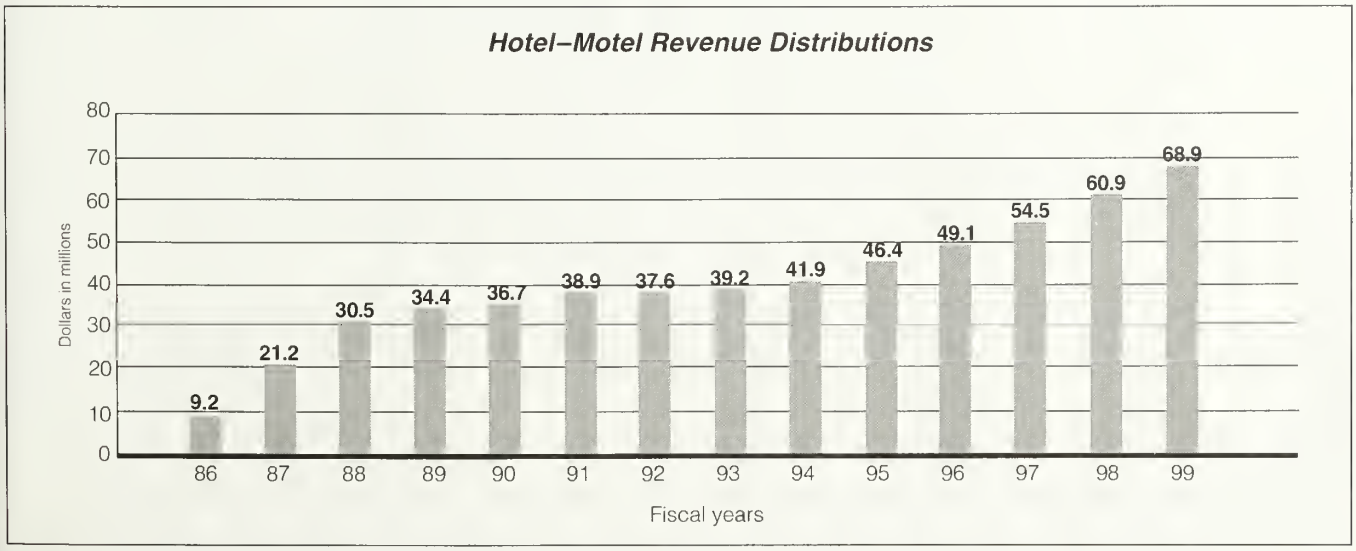
Methodology

Table 1 shows, for each community that has adopted the hotel–motel excise, a calculation of FY1999 hotel–motel revenue, FY1999 budget as reported on the tax recapitulation sheet, and hotel–motel revenue as a percentage of budget.[2] Medford adopted the local option hotel–motel tax mid-year in FY1999. For all other communities listed in this table, the local option tax was in effect as of July 1, 1998. The communities listed in *Table 1* as showing no revenues have adopted the hotel–motel excise, but have not yet implemented it. *Table 2* shows the same categories as *Table 1* for non-adopting communities to assist them in evaluating the potential revenues.

The revenue amounts used will not exactly match the amount of revenue actually distributed to the localities since these funds are distributed on a slightly different fiscal cycle. For reasons of taxpayer confidentiality, the DOR cannot publish the actual amount of tax collected from an individual operator. Therefore, for communities with only one or two establishments, we have used the midpoint of a dollar range to calculate the estimate shown.

continued on page six ➡

Figure 1



FY1999 Hotel–Motel Revenue for Adopting Communities

Table 1

Municipality	FY99 hotel–motel revenue	FY99 budget	Revenue as % of budget
Acton[1]	10,000	43,893,535	0.02
Amesbury[1]	60,000	34,609,144	0.17
Amherst	70,744	48,288,606	0.15
Andover	762,868	86,205,568	0.88
Auburn	266,744	25,939,051	1.03
Barnstable	1,332,632	95,521,224	1.40
Bedford	450,368	42,022,008	1.07
Beverly[1,3]	100,000	75,672,109	0.13
Billerica	0	0	0.00
Bolton[1]	10,000	9,420,403	0.11
Boston	24,395,616	1,604,210,644	1.52
Bourne	105,596	32,920,857	0.32
Boxborough[1]	140,000	10,372,709	1.35
Braintree	622,784	77,212,889	0.81
Brewster	461,124	22,417,800	2.06
Brimfiled	3,752	5,753,707	0.07
Brockton	225,424	222,691,414	0.10
Brookline	447,360	144,274,647	0.31
Burlington	1,163,804	63,461,351	1.83
Cambridge	4,966,700	319,101,237	1.56
Charlemont	11,724	2,141,705	0.55
Chatham	740,124	25,301,618	2.93
Chelmsford	296,720	66,766,400	0.44
Chelsea[1]	3,000	86,241,340	0.00
Chicopee	197,484	101,504,263	0.19
Chilmark	58,976	4,207,998	1.40
Cohasset[1]	28,000	21,462,161	0.13
Concord	166,988	40,807,319	0.41
Danvers[3]	1,241,668	58,572,852	2.12
Dartmouth	75,888	43,492,497	0.17
Dedham	681,524	50,012,601	1.36
Deerfield[1]	100,000	9,176,803	1.09
Dennis	412,880	29,479,027	1.40
Eastham	227,456	12,416,893	1.83
Edgartown	741,940	16,740,892	4.43
Essex	10,340	6,797,762	0.15
Fairhaven	96,076	34,134,202	0.28
Fall River[1]	60,000	166,766,557	0.04
Falmouth	889,940	66,406,547	1.34
Fitchburg[1]	100,000	77,966,759	0.13
Foxborough	393,636	32,630,626	1.21
Framingham[3]	696,816	147,627,226	0.47
Gardner	64,172	38,041,474	0.17
Gloucester	210,420	63,352,212	0.33
Grt. Barrington	87,416	13,508,519	0.65
Greenfield	96,064	40,154,319	0.24
Hadley	116,852	9,271,565	1.26
Hancock	133,476	1,128,583	11.83
Harwich	286,144	31,775,726	0.90
Hatfield[1]	3,000	6,161,906	0.05
Haverhill	278,620	152,092,598	0.18
Holyoke	161,412	113,962,681	0.14
Hull[1]	10,000	25,469,344	0.04
Kingston	37,312	19,784,554	0.19
Lakeville	0	0	0.00
Lanesborough	10,876	5,859,762	0.19
Lawrence	81,140	162,473,275	0.05
Lee	177,236	11,851,565	1.50
Lenox	1,563,336	13,959,344	11.2
Leominster	276,268	75,923,965	0.36
Lexington	422,056	91,845,007	0.46
Lowell	303,008	236,284,839	0.13
Lunenburg	0	0	0.00
Lynn[1]	10,000	183,044,855	0.01
Malden[3]	96,632	97,755,501	0.10
Mansfield	237,640	51,532,186	0.46
Marlborough	1,006,588	76,290,797	1.32
Marshfield	11,040	53,085,348	0.02
Mashpee	237,448	30,873,444	0.77
Medford[1,2]	140,000	101,024,329	0.14
Melrose[1,3]	10,000	51,506,698	0.02
Methuen	70,740	79,440,814	0.09
Middleborough	119,324	41,259,824	0.29
Middleton[1]	60,000	13,222,388	0.45
Milford	450,132	50,567,286	0.89
Nantucket	1,214,424	51,582,704	2.35
Natick	605,752	72,791,084	0.83
Needham[1]	340,000	73,111,035	0.47
New Ashford	15,492	339,866	4.56
New Bedford	57,484	202,660,414	0.03
Newburyport	68,928	35,152,781	0.20
Newton	1,354,732	212,624,482	0.64
N. Andover[1]	60,000	50,093,573	0.12
Northampton	285,468	54,321,868	0.53
Northborough	113,488	26,227,734	0.43
Norwood	378,668	82,253,129	0.46
Oak Bluffs	168,644	12,927,828	1.30
Orleans	182,648	17,106,786	1.07
Peabody	575,076	95,043,279	0.61
Pittsfield	198,156	85,980,499	0.23
Plainfield[1]	1,000	952,661	0.10
Plainville[1]	3,000	12,708,186	0.02
Plymouth	395,796	110,989,158	0.36
Provincetown[4]	625,760	15,500,807	4.04
Randolph[1]	180,000	55,167,824	0.33
Raynham[1]	28,000	15,958,008	0.18
Reading	0	0	0.00
Revere	222,392	85,129,688	0.26
Rockland	261,396	34,704,535	0.75
Rockport	222,324	20,301,561	1.10
Salem	191,652	85,180,152	0.22
Salisbury	33,892	12,639,762	0.27
Sandwich	262,080	36,801,002	0.71
Saugus[1]	177,252	47,471,795	0.37
Seekonk	249,016	25,848,084	0.96
Sharon	86,628	37,853,834	0.23
Sherborn[1]	10,000	11,809,114	0.08
Shrewsbury	56,320	51,258,068	0.11
Somerset	76,568	36,251,509	0.21
Somerville[1]	220,000	137,620,769	0.16
Southampton	0	0	0.00
Southborough[1]	60,000	19,950,483	0.30
Springfield	958,900	356,945,338	0.27
Sterling[1]	28,000	11,031,384	0.25
Stockbridge	205,628	5,386,881	3.82
Stoughton[1]	180,000	55,328,528	0.33
Sturbridge	481,804	14,389,329	3.35
Sudbury[1]	60,000	41,970,181	0.14
Sutton[1]	10,000	14,317,000	0.07
Swampscott[1]	28,000	31,022,480	0.09
Swansea[1]	28,000	22,315,636	0.13
Taunton[1]	140,000	110,071,707	0.13
Templeton	0	0	0.00
Tewksbury	330,988	56,835,630	0.58
Tisbury	133,192	13,207,071	1.01
Townsend[1]	1,000	10,871,718	0.01
Truro	257,552	7,134,439	3.61
Tyngsborough[1]	60,000	21,259,116	0.28
Wakefield[1]	360,000	54,690,525	0.66
Walpole	16,800	43,716,870	0.04
Waltham	1,842,568	130,836,474	1.41
Wareham	9,648	40,907,650	0.02
Watertown[1]	60,000	68,596,007	0.09
Wellesley	130,144	60,646,281	0.21
Wellfleet	99,236	9,535,108	1.04
W. Boylston	28,428	12,619,267	0.23
W. Springfield	512,740	57,667,977	0.89
W. Stockbridge	15,600	2,921,132	0.53
Westborough	457,308	45,683,450	1.00
Westfield	30,436	79,263,009	0.04
Westford[1]	220,000	44,709,121	0.49
Westminster[1]	60,000	9,774,301	0.61
Westport	106,720	20,329,859	0.52
Westwood[1]	10,000	37,850,418	0.03
Weymouth	24,060	100,938,684	0.02
Whatley[1]	1,000	3,094,499	0.03
Whitman[1]	3,000	19,771,480	0.02
Wilbraham	8,928	21,332,911	0.04
Williamstown	196,840	13,876,727	1.42
Woburn	1,197,352	80,505,879	1.49
Worcester	604,104	374,540,134	0.16
Worthington	0	0	0.00
Wrentham	0	0	0.00
Yarmouth	1,360,544	49,525,375	2.75
Total	**68,835,604**	**10,088,881,297**	**0.85 (avg.)**

1. Indicates a community where revenues are estimated at the mid point of a range to protect the confidentiality of an individual operator.

2. Indicates a community that enacted a local option tax mid-year in FY99.

3. Indicates that an establishment in this city or town crosses the boundary into another community. In these cases, the local room occupancy excise revenues vary depending on whether or not the bordering locality has also enacted a local tax.

4. Indicates that the community changed the rate after 7/1/98.

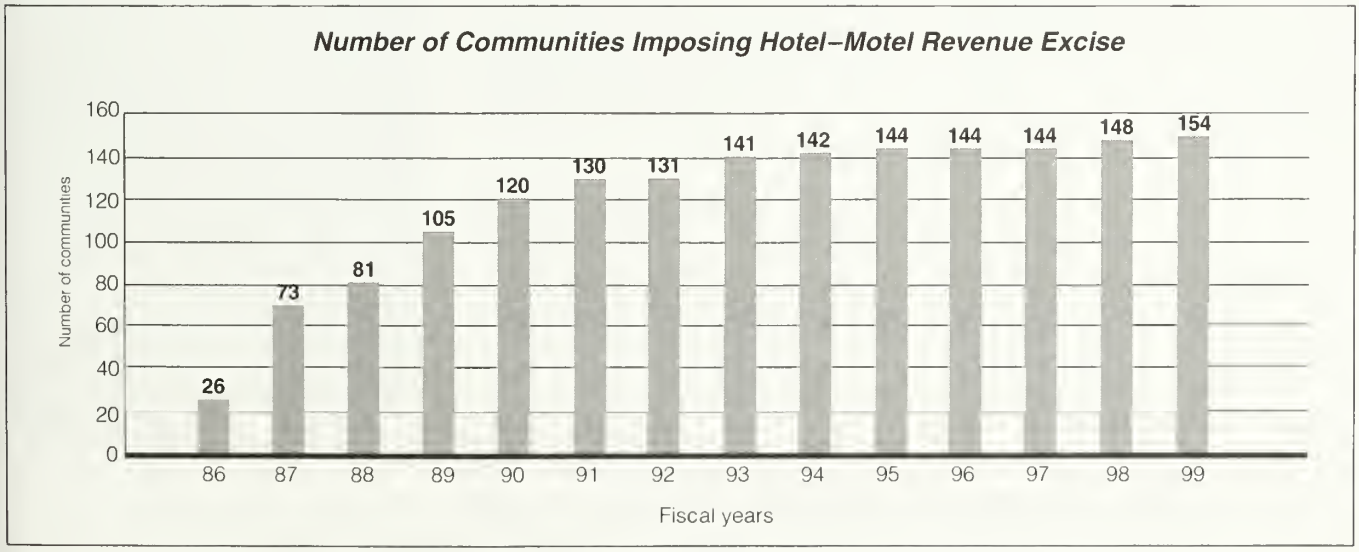
FY1999 Estimate of Hotel–Motel Revenue Capacity for Non-Adopting Communities

Table 2

Municipality	Revenue estimate	FY99 budget	Revenue as % of budget
Adams[1]	3,000	9,801,799	0.03
Agawam[1]	10,000	49,427,002	0.02
Aquinnah[1]	10,000	1,872,975	0.53
Arlington[1]	3,000	83,615,267	0.00
Athol	1,000	10,595,925	0.00
Attleboro	26,852	77,078,483	0.03
Ayer	29,276	17,763,656	0.16
Barre	7,288	5,931,149	0.12
Becket	1,556	3,300,298	0.05
Belchertown[1]	1,000	23,893,910	0.00
Bellingham[1]	3,000	30,965,124	0.01
Bernardston	9,340	2,785,415	0.34
Charlton[1]	3,000	11,178,358	0.03
Cheshire[1]	1,000	3,072,121	0.03
Clinton[1]	1,000	23,059,971	0.00
Cohasset[1]	28,000	21,462,161	0.13
Cummington[1]	1,000	1,437,159	0.07
Dalton	6,820	9,825,986	0.07
Duxbury	9,660	36,543,388	0.03
Easton[1]	3,000	39,110,241	0.01
Egremont	20,612	2,594,320	0.79
Florida[1]	3,000	2,076,406	0.14
Gosnold[1]	1,000	838,158	0.12
Grafton[1]	1,000	22,030,721	0.00
Granby[1]	3,000	10,028,481	0.03
Groton[1]	1,000	17,033,544	0.01
Hamilton[1]	10,000	14,166,134	0.07
Hawley[1]	3,000	569,033	0.53
Holland[1]	1,000	4,108,690	0.02
Huntington[1]	3,000	2,382,624	0.13
Ipswich[1]	10,000	25,645,015	0.04
Leverett[1]	1,000	3,227,825	0.03
Littleton[1]	1,000	17,166,279	0.01
Longmeadow[1]	1,000	35,733,844	0.00
Manchester[1]	3,000	15,546,489	0.02
Marblehead	48,216	44,154,132	0.11
Marion[1]	3,000	11,408,416	0.03
Mattapoisett	2,504	13,852,553	0.02
Montague[1]	3,000	11,166,827	0.03
Monterey[1]	1,000	1,904,767	0.05
New Marlborough[1]	10,000	2,391,343	0.42
New Salem[1]	1,000	1,359,801	0.07
Newbury[1]	1,000	10,147,007	0.01
N. Adams	53,404	30,448,348	0.18
N. Attleborough	53,052	54,044,511	0.10
Norwell	10,680	23,741,888	0.04
Orange[1]	10,000	15,631,599	0.06
Otis[1]	1,000	2,907,729	0.03
Palmer[1]	1,000	24,604,846	0.00
Pelham[1]	10,000	2,542,848	0.39
Phillipston[1]	1,000	1,724,130	0.06
Princeton[1]	1,000	6,017,363	0.02
Quincy	123,080	177,531,387	0.07
Rehoboth[1]	1,000	11,501,078	0.01
Richmond[1]	10,000	3,404,746	0.29
Rowe[1]	3,000	2,029,055	0.15
Rowley[1]	10,000	8,385,478	0.12
Savoy[1]	1,000	1,268,523	0.08
Scituate[1]	28,000	41,418,810	0.07
Sheffield	14,880	5,328,331	0.28
Spencer	3,160	11,673,614	0.03
Stoneham[1]	3,000	44,246,502	0.01
Tolland[1]	1,000	565,607	0.18
Tyringham[1]	1,000	942,206	0.11
Uxbridge[1]	10,000	22,356,134	0.04
Ware[1]	3,000	17,794,155	0.02
Washington[1]	3,000	847,461	0.35
W. Bridgewater[1]	1,000	14,257,587	0.01
W. Brookfield[1]	10,000	4,677,655	0.21
W. Tisbury	18,288	7,472,489	0.24
Williamsburg[1]	1,000	3,765,515	0.03
Winchendon[1]	1,000	20,869,735	0.00
Winthrop[1]	10,000	29,651,171	0.03
Total	688,668	1,323,903,298	**0.10** (avg.)

1. Denotes a community where revenues were estimated using a dollar range to protect the confidentiality of an individual operator.

Figure 2



Room Occupancy Revenues
➡ *continued from page three*

Trends

In FY1999, 227 communities had establishments that could be taxed under a local option hotel–motel excise. One hundred fifty-four (154) of these communities have imposed the local excise. Adopting communities received $68.9 million in hotel–motel excise revenues, an increase of 13.8 percent over FY1998. FY1999 hotel–motel revenue averaged 0.84 percent of municipal budgets. Hotel–motel revenue as a percentage of municipal budget is highest for Lenox (11.20 percent) and Hancock (11.83 percent). The estimate of total revenue capacity for the 73 non-adopting communities is only $688,668, ranging from a low of $1,000 to $123,080 (Quincy). The estimated hotel–motel revenue for non-adopting communities averages 0.10 percent of their municipal budgets.

Use in Estimating Revenue

Local officials should be aware that shifts in the lodging industry impact revenue collections. Due to the seasonal nature of the lodging industry, revenue collections are spread unevenly throughout the year and, therefore, the quarterly distributions are also uneven. Also, variances in the level of tourism as well as the opening and closing of establishments are factors to be considered in projecting excise revenues. Changes in the lodging industry in an individual community from year to year may cause significant swings in excise revenues. Local officials are usually in the best position to foresee changes of this type, and adjust revenue projections accordingly.

How to Adopt the Excise

A community wishing to adopt the hotel–motel excise must vote to accept the provisions of M.G.L. Ch. 64G, § 3A and must specify the rate of the local excise, which cannot exceed 4 percent. For towns, acceptance requires a majority vote of town meeting. In cities, a majority vote of the city council, and in municipalities with town council forms of government, a majority vote of town council is required. Communities that impose a local room occupancy tax must forward a copy of the vote to the Commissioner of Revenue 21 days prior to the effective date for imposition of the excise.

The effective date is the first day of the calendar quarter following 30 days after such acceptance, or the first day of such later calendar quarter as the city or town may designate. Because the excise can only take effect at the beginning of the calendar quarter, failure to give the Commissioner timely notification will result in a three month delay in the implementation of the excise.

For questions about enacting a local option room occupancy excise contact Lisa Juszkiewicz at (617) 626-2386. ■

written by Joan Grourke

1. In addition to imposing the state and local room occupancy excises, Boston, Cambridge, Springfield and Worcester also impose an additional 2.75 percent hotel/motel excise. The Convention Center Act, which became effective on January 1, 1998, authorized this additional fee. That act also allows the City of Boston to increase its portion of the excise to 4.5 percent; however, it currently levies a hotel–motel tax of only 4 percent.

2. The information in this article is from "The Room Occupancy Revenue Report for the 351 Cities and Towns, Fiscal Year 1999" which is prepared by the Department of Revenue's Financial Services Bureau. That report provides collections per percentage point (1 percent) of tax imposed. We have multiplied the figure by four to arrive at the actual amount collected.

Local Government Partnership

The DLS' Local Government Partnership (LGP) has been included in a new book entitled *Quietly at Work: Township Government in America*. Monica Abress, a member of the board of directors for the Minnesota Association of Townships and chairperson of Lent Township, wrote the book to educate students about the town form of government. Ms. Abress interviewed Dennis Rindone, formerly regional manager for DLS, about the LGP program which he originated. The book devotes a page and a half to the LGP explaining how it started in Ludlow, Massachusetts. It explains that LGP is a full semester program with various state and local officials coming to the classroom describing their duties and responsibilities. The book states:

"In June of 1999, this program was in ten local high schools, involving five communities and more than 500 students. As a result, many students were appointed to planning commissions, parks and recreation boards, and other subcommittees of the local government. ... No one can know how many leaders of tomorrow were encouraged by this program."

Communities interested in more information on how to incorporate the LGP into their school system's curriculum should contact Diane Murphy, DLS regional manager at (413) 792-0603. ■

DLS UPDATE

New Requirements for Municipal Financial Statements

The Bureau of Accounts (BOA) is working closely with the State Comptroller's office to develop materials and provide guidance on Government Accounting Standards Board (GASB) Statement 34, which establishes new financial reporting requirements for local governments. This statement requires the reporting of infrastructure assets and places a greater emphasis on the reporting of all classes of fixed assets. In early June a mailing will be sent to cities, towns and school districts outlining the requirements. James R. Johnson, Director of Accounts, will also make a presentation on the subject during the annual conference of the Massachusetts Association of Auditors' and Accountants' Annual Conference on Cape Cod on June 12 through 14.

Based on a review of the FY1998 Schedule A data, 22 cities and towns in Massachusetts have revenues in excess of $100 million and will be subject to the requirement of GASB Statement 34 on statements for the year ending June 30, 2002. The Bureau of Accounts estimates that nearly 300 cities, towns and regional school districts have revenues between $10 and $100 million and therefore will be subject to the new requirement for the fiscal year ending June 30, 2003.

Publications Available

The Division of Local Services will soon issue the new edition of Laws Relating to Municipal Finance and Taxation (Municipal Bulletin #33). Hard copies as well as CD-ROM versions will be sent to local officials in early July. The annual *supplement* to the list of Massachusetts Domestic and Foreign Corporations Subject to an Excise (Corp Book) will be sent to assessors in May.

There are a number of extra copies of Bulletin 32 available. Bulletin 32 covers all of the same information as Bulletin 33, with the exception of laws enacted since April 1998. It is still a good reference to the basic laws governing municipal finance.

Copies of the most recently published (1998) complete Massachusetts Domestic and Foreign Corporations Subject to an Excise are also available. If anyone would like a copy of either of these publications sent free of charge, call Elaine Lombardi at (617) 626-2337.

FY1999 Schedule A Overdue

Communities that have not submitted the Annual City and Town Financial Report for the Fiscal Year ended June 30, 1999 (Schedule A) will not receive their June 30, 2000 quarterly distribution of state aid. That report was due on December 31, 1999. In mid-April, the Bureau of Accounts sent reminders to 52 cities and towns advising them to submit the reports or face a delay in the receipt of their local aid payments.

The information in Schedule A is provided to the United States Bureau of the Census for use by federal agencies. The information is also added to the Division of Local Services' Municipal Data Bank. The administration, the Legislature, and many state agencies use the information in the Data Bank for analysis of grant programs, research on proposed programs and similar purposes. In addition, many local officials access the Date Bank information through the Community Report Builder, available at the DLS' website. The address of the website is on page 8.

Reminder to City and Town Clerks

After the annual election, city and town clerks should submit a certified list with the name(s) of new assessor(s) and the name of the person he/she replaced. The Division of Local Services will be mailing an Assessors Qualification Summary to each community in early June. Submission of this annual report is required by law. Contact Barbara LaVertue at (617) 626-2340 for more information.

Where Can This "B"?

Do you know where in Massachusetts to find:

1. Battatasset?

2. Balance Rock?

3. Bancroft?

4. Baptist Village?

Answers: 1. Pepperell; **2.** Pittsfield; **3.** Becket and Middlefield; **4.** East Longmeadow. ■

Municipal Fiscal Calendar

June 1
Clerk: *Certification of appropriations.*

Assessors: *Determine valuation of other municipal or district land.*

DOR/BLA: *Mail proposed EQVs (even-numbered years only).*

June 10
DOR/BLA: *Public hearing on proposed EQVs (even-numbered years only).*

June 15
DOR: *Commissioner determines and certifies pipeline valuations.*

Assessors: *Deadline for appealing commissioner's telephone and telegraph valuations.*

Assessors: *Make preliminary quarterly tax commitment.*

June 20
Assessors: *Final date to make omitted or revised assessments.*

Mark Your Calendars — Opportunities for Training

The **New Officials Finance Forum** will be given on Friday, June 2, 2000, at the Ramada Inn, 624 Southbridge Street, Auburn from 8:45 a.m. to 3:00 p.m.

Course 101, **Assessment Administration: Law, Procedures, Valuation** will be given at the University of Massachusetts in Amherst, August 7 – August 11, 2000, from 8:30 a.m. to 4:00 p.m.

A **Classification Training Workshop** will be given on Wednesday, August 9, 1999, at the Campus Center, University of Massachusetts, Amherst at 10:00 a.m.

Contact Barbara LaVertue, Coordinator of Training, at (617) 626-2340 for further information. ■

Data Bank Highlight

Information on budgeted and actual revenues for Massachusetts' municipalities is available from the Municipal Data Bank Web page, and from Data Bank staff. Standard reports categorize budgeted revenues as tax levy, state aid, local receipts and other. Current and historical data for all Massachusetts cities and towns can be downloaded from the Municipal Spreadsheet Database. Users can design reports online for current data using the Community Report Builder. More detailed reports showing actual revenues for specific categories are available upon request. Members of the Data Bank staff are available to help users understand and analyze the data, or define their data needs. ■

To obtain information from the Municipal Data Bank, visit our website, listed below, or call Dora Brown or Debbie DePerri Ferlito at (617) 626-2300.

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS website at **www.state.ma.us/dls** or by writing to PO Box 9490, Boston, MA 02205-9490.

Marilyn H. Browne, Managing Editor

Jean M. McCarthy, Editor

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What Is a Residential Exemption?

written by Jean McCarthy

Communities have several options that allow local officials to shift some of the tax burden from one group of taxpayers to another when setting their tax rates. Although to date it has not often been used, the Residential Exemption option seems to be generating a good deal of recent interest.[1] The Residential Exemption applies a discount to the assessed value of every residential property that is the principal residence of a taxpayer. It does not apply to accessory land incidental to a residential use, summer homes, or residential property not occupied by its owner. It effectively shifts some of the tax burden from residential properties worth less than the average, to more expensive residential properties and/or those owned by nonresidents.

Generally two types of communities adopt the residential exemption: communities with a number of apartment buildings, and resort communities with expensive property owned by seasonal residents. Since apartments are assessed as one parcel in the residential class, a community with a large number of apartment buildings would have a high average assessed value in that class. The residential exemption would not apply to the apartment buildings since they are seldom owner-occupied. In communities with valuable property owned by summer residents, the residential exemption applies only to owner-occupied property, having the effect of charging the summer residents more while year round residents pay less.

The decision to apply a Residential Exemption is made annually during the annual classification hearing. After the assessors present information on the impact of choosing various options, the board of selectmen in towns, or the city council and the mayor in cities, can choose to adopt the Residential Exemption and decide the amount of discount for owner-occupied properties. The discount can be up to 20 percent of the average assessed value in the residential class of property. Since the residential class of property still has to raise the same amount as it would have raised without the shift, the result is a higher residential tax rate. Properties worth less than the average assessed value pay lower taxes, but properties above the average pay more in taxes than they would otherwise have paid.

To apply the discount, communities determine the average assessed value in the residential class and multiply it by the discount adopted. Each tax bill of an eligible owner then shows the assessed value of the property with the dollar amount of the residential exemption shown separately. The tax bill is derived by subtracting the residential exemption from the assessed value before applying the tax rate. For example, if the average assessed value in the community is $150,000 and the community adopts a residential exemption of 20 percent, the residential exemption would be $30,000. An owner occupied house assessed for $100,000 would receive the residential exemption of $30,000 reducing its assessed value to $70,000. If the residential class must raise $3,000,000 and the total assessed value in the residential class is $150,000,000, the tax rate without a residential exemption would be $20 (3,000,000 ÷ 150,000,000). When the residential exemption is applied, it reduces the total assessed value in the residential class. With 500 taxpayers eligible to each receive a discount of $30,000, the total assessed value would be only $135,000,000. (500 x $30,000 = $15,000,000. $150,000,000 – $15,000,000 = $135,000,000.) The new tax rate would be $22.22 (3,000,000 ÷ 135,000,000). The house assessed for $100,000 would have paid $2,000 in taxes without the residential exemption. With the exemption, it would pay $1,555.40 ($100,000 – $30,000 ÷ 1,000 x $22.22). On the other hand, a house assessed for $500,000 would pay $10,000 in real estate taxes without a residential exemption ($500,000 ÷ 1,000 x $20). Even if owner-occupied, the residential exemption would raise the tax bill to $10,443.40 ($500,000 – 30,000 ÷ 1,000 x $22.22).

There are 11 communities in Massachusetts that currently have Residential Exemptions: Boston, Brookline, Cambridge, Chelsea, Marlborough, Nantucket, Somerset, Somerville, Tisbury, Waltham and Watertown. ■

1. M.G.L. Ch. 59 Sec. 5C.

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LEGAL

in Our Opinion

Foreclosure and the Due Process Clause

Two and a half years after the Land Court had issued a tax title foreclosure decree, the taxpayer filed a motion in Land Court to vacate the decree. When the Land Court judge refused to grant the motion, the taxpayer appealed. The Appeals Court ruled that the taxpayer's due process rights had been violated because the town, since it knew the taxpayer's address, was required to give actual notice to the taxpayer of the foreclosure action. The decision is *Town of Andover v. State Financial Services, Inc.*[1]

In October 1990, State Financial Services, Inc. (Financial) acquired a small island in Foster's Pond in Andover through a mortgage foreclosure. At that time, taxes for fiscal years 1989 and 1990 were unpaid. The Andover tax collector later advertised a tax taking and listed Financial as the subsequent owner. The taking was recorded in September 1991. When the Andover town treasurer filed a petition to foreclose in September 1994, a Land Court judge issued a citation with notice of the foreclosure petition. The town treasurer attempted to serve notice by certified mail, return receipt requested, at Financial's office on Friend Street in Boston.[2] Access to the mailboxes on the building's first floor was denied, however, because substantial repairs to the building were underway. A construction worker signed for the letter but never delivered it to Financial. Relying on the signed return receipt, however, the town treasurer filed a motion for foreclosure. When Financial did not oppose this action, the Land Court issued a decree of foreclosure in December 1994.

Even after the foreclosure decree the town continued to tax the parcel, and Financial paid the taxes for fiscal years 1995 and 1996. In 1996 Financial learned that there had been a foreclosure and the town of Andover planned to sell the subject parcel. When Financial's attorney wrote to the Andover tax collector, the collector ignored the taxpayer's offer to redeem the property. In June 1997, Financial filed a petition in Land Court to vacate the 1994 foreclosure decree. The Land Court judge denied the requested relief. The judge ruled that M.G.L. Ch. 60 Sec. 69A sets a one-year time limit on any challenge to a foreclosure decree. Relying on earlier court decisions, the judge held that the statutory purpose was to limit the taxpayer's remedy. In light of the signed return receipt, the Land Court judge held that the state statutory and federal constitutional notice requirements had been satisfied. Citing the U.S. Supreme Court decision of *Mullane v. Central Hanover Bank & Trust Company,* the Land Court judge found that due process only required that notice be reasonably calculated to inform interested parties of the litigation.[3]

On appeal, Financial argued that there was a denial of due process. Secondly, there were certain equitable grounds on which the Land Court judge should have vacated the decree. The Appeals Court wrote that due process requires notice and an opportunity to be heard. Earlier court decisions had held that where it was impossible to provide actual notice to interested parties because of unknown identities or addresses, then notice by publication was constitutional even if the attempt would probably be unsuccessful. Where, however, the identities and addresses were known or readily ascertainable, there must be actual notice in order to satisfy the due process clause of the 14th Amendment of the U.S. Constitution.

The Appeals Court dismissed the town's argument that Financial was a sophisticated taxpayer that should have known the consequences of failure to pay real estate taxes. In the court's view, knowledge of a tax delinquency was not the same as notice of a pending tax foreclosure. Under the due process clause, the town was required to provide *actual* notice of the foreclosure petition to Financial. Such action was not taken. According to the court, the one-year time limit set forth in the law did not apply since there was a denial of due process.[4] The two and a half year delay in filing the petition in Land Court did not bar the taxpayer from having the decree vacated.

The Appeals Court also cited several considerations which favored the taxpayer: Financial's tenancy in a building undergoing rehabilitation with no control over mail deliveries; the town's taxation of the property after the foreclosure; and Financial's filing of the Land Court petition within one year after actual notice of the foreclosure decree. In the court's view, the town's legitimate interest in seeking any foreclosure is to collect the taxes and not to own the real estate. In addition to the equitable factors presented, the Appeals Court wrote that M.G.L. Ch. 60 Sec. 69A, although generally valid, had operated, in this instance, to deprive the taxpayer of the protected right of notice.

The town argued that permitting a taxpayer to challenge a foreclosure decree years later would cast doubt on every foreclosure. The Appeals Court reasoned, however, that there would be little litigation on this issue due to the signed return receipt delivery requirement.[5] Furthermore, any attempt by a taxpayer to argue non-delivery of the notice could be met by evidence that possession or control of the mail had passed to the taxpayer.

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Focus on Municipal Finance

What's Happening with Charter Schools?

Charter schools were established in Massachusetts as part of the Education Reform Act of 1993. As an alternative form of public education, charter schools provide parents and students with greater options when choosing schools to attend. A primary goal of the charter school initiative is to stimulate the development of innovative programs within public education that can be replicated in other public schools. The program provides teachers with the opportunity to develop new educational methods within a more flexible school structure and management.

There are two types of charter schools: Horace Mann and Commonwealth Charter Schools. Horace Mann Charter Schools are public schools operating under a five-year charter approved by the local school committee and collective bargaining agent and granted by the Board of Education. Horace Mann Charter Schools must submit annual budget proposals to the local school committee. The schools receive their funding directly from the local school committee based on the annual budget submission and do not receive funding from the Commonwealth. Currently there are five Horace Mann Charter Schools operating in the state, with 1,158 students enrolled.

Commonwealth Charter Schools are public schools granted a five-year charter by the Board of Education. When the number of applicants exceeds the available spaces, the schools hold a lottery to determine who gets accepted. Commonwealth Charter Schools receive tuition funding in two forms. The first is from assessments to sending school districts for students attending a Commonwealth Charter School. The second source of funding, for students that were previously educated at home or in private schools, comes from the state. This payment applies only to the first year the student is enrolled in the charter school.

Tuition assessments for districts that are below the state mandated foundation budget imposed by Education Reform are based on average per pupil costs of the sending district. For districts with no foundation gap, the tuition assessment is based on the lesser of the sending district's average per pupil cost or the average per pupil cost of the district in which the charter school is located. To calculate the average cost per pupil, the Department of Education (DOE) generates a charter school tuition rate for each district based upon an estimate of current year operating costs and enrollment. Tuition assessments for sending districts are deducted from the last three quarterly local aid distributions and paid directly to the charter school. Charter schools receive four quarterly payments. The September and December payments are based on the charter school's pre-enrollment report, filed with the Board of Education by April 1 of the previous fiscal year. The final two quarters, March and June, are based on actual enrollment reports as of October 1 and February 15 filed with DOE. Deductions from sending districts are made in December, March and June.

When charter schools first opened their doors in FY1996, there were 15 approved charter schools receiving 2,561 students from 72 communities and 12 regional school districts. Total tuition assessments were $15.9 million. In FY2000, there are 34 Commonwealth Charter Schools, receiving 11,238 students from 161 communities and 35 regional school districts. Preliminary FY2000 local tuition assessments are $81.3 million, representing a $65.4 million increase in tuition from FY1996. Early estimates from DOE indicate FY2001 charter school tuition costs to be $103 million, increasing 26.7 percent or $21.7 million from the FY2000 cost. These dramatic increases in numbers of students and tuition costs are demonstrated in *Figure 1*.

In *Table 1*, we list the Charter School FY2000 preliminary assessment by sending district, FY2000 budgeted net

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Figure 1

Local Charter School Tuition
FY1996–FY2000

	Full-time equivalent students	Total tuition assessment	Percent increase from prior year
FY1996	2,561	$15,910,700	
FY1997	5,280	35,058,912	120.35%
FY1998	6,590	43,668,916	24.56
FY1999	9,412	62,799,364	43.81
FY2000*	11,283	81,293,144	29.45

*Estimated based on October 1 enrollment data. Final data will be available for the June local aid distribution.

Charter School Assessments by Sending Districts

Table 1

Local schools	Charter school assessments	Net school spending (NSS)	Assess-ments (pct. of NSS)	Charter school tuition reimb.
Abington	5,800	13,874,713	0.0	423
Acton	0	14,080,287	0.0	0
Agawam	38,840	27,453,299	0.1	24,516
Amesbury	193,440	18,690,474	1.0	193,440
Amherst	0	14,252,428	0.0	3,213
Andover	4,866	39,643,379	0.0	1,946
Arlington	49,344	32,820,705	0.2	6,812
Ashland	0	15,260,876	0.0	0
Attleboro	364,975	39,226,972	0.9	248,153
Auburn	244,062	15,065,162	1.6	167,476
Avon	38,969	4,835,612	0.8	28,561
Ayer	114,555	9,221,893	1.2	74,486
Barnstable	567,672	42,317,952	1.3	383,497
Becket	0	140,692	0.0	0
Bedford	38,212	18,644,674	0.2	12,020
Belchertown	40,908	13,596,226	0.3	16,055
Bellingham	16,965	15,898,107	0.1	6,229
Belmont	0	24,453,252	0.0	6,176
Berkley	5,716	6,021,129	0.1	0
Berlin	14,210	1,582,836	0.9	14,210
Beverly	0	32,914,266	0.0	0
Billerica	92,339	38,910,646	0.2	43,292
Boston	17,456,238	556,718,193	3.1	5,350,604
Bourne	41,485	14,712,826	0.3	41,485
Boxborough	0	3,082,196	0.0	4,357
Braintree	18,327	32,772,935	0.1	8,725
Brewster	0	4,879,376	0.0	0
Brimfield	0	2,280,356	0.0	0
Brockton	272,600	115,063,305	0.2	173,316
Brookfield	0	2,240,651	0.0	0
Brookline	0	54,848,075	0.0	4,931
Burlington	15,062	27,434,460	0.1	15,062
Cambridge	2,584,177	98,116,609	2.6	690,651
Canton	42,192	20,655,205	0.2	31,880
Carver	72,084	14,214,467	0.5	51,057
Chatham	45,585	6,121,203	0.7	31,752
Chelmsford	664,219	36,620,266	1.8	0
Chelsea	95,178	42,648,885	0.2	49,058
Chicopee	73,764	53,207,799	0.1	49,043
Clarksburg	0	1,746,411	0.0	0
Clinton	59,571	13,815,214	0.4	52,599
Cohasset	66,955	9,824,780	0.7	0
Concord	5,557	16,756,523	0.0	5,557
Conway	32,532	1,202,011	2.7	19,695
Danvers	0	25,564,649	0.0	0
Dartmouth	11,476	22,535,125	0.1	5,342
Deerfield	6,433	2,633,184	0.2	3,956
Douglas	0	7,302,232	0.0	0
Dracut	87,145	24,203,358	0.4	66,421
Duxbury	6,659	19,357,744	0.0	6,659
E. Bridgewater	0	14,840,204	0.0	1,750
E. Longmeadow	32,250	16,928,606	0.2	24,332
Eastham	0	2,725,148	0.0	0
Easthampton	89,236	13,478,443	0.7	39,658
Easton	44,224	20,612,309	0.2	32,142
Edgartown	239,193	3,976,828	6.0	81,272
Erving	12,900	2,034,845	0.6	8,301
Essex	0	3,488,410	0.0	0
Everett	584,353	34,494,896	1.7	440,440
Fall River	3,601,229	89,076,571	4.0	946,035
Falmouth	59,445	31,318,635	0.2	57,069
Fitchburg	50,176	39,390,841	0.1	20,022
Florida	0	1,022,604	0.0	0
Foxborough	850,872	20,202,133	4.2	495,863
Framingham	13,376	66,578,958	0.0	13,376
Franklin	1,706,614	36,688,807	4.7	607,169
Freetown	6,253	3,810,752	0.2	847
Gardner	0	18,119,741	0.0	0
Georgetown	0	8,257,183	0.0	0
Gloucester	0	27,658,949	0.0	0
Grafton	50,715	12,748,945	0.4	45,448
Granby	21,156	5,710,072	0.4	7,858
Granville	0	1,817,303	0.0	0
Greenfield	67,263	16,966,213	0.4	26,961
Hadley	97,309	4,264,694	2.3	47,281
Halifax	4,720	4,033,502	0.1	5,536
Hancock	0	692,537	0.0	0
Hanover	7,046	16,281,129	0.0	3,512
Harvard	161,900	7,591,011	2.1	21,716
Harwich	93,762	11,667,252	0.8	20,912
Hatfield	76,755	3,386,587	2.3	35,909
Haverhill	5,978	53,688,453	0.0	5,978
Hingham	109,779	23,165,408	0.5	0
Holbrook	1,284	9,467,671	0.0	1,284
Holland	0	1,645,543	0.0	0
Holliston	43,788	19,180,828	0.2	31,007
Holyoke	17,323	63,091,050	0.0	17,323
Hopedale	18,051	6,879,277	0.3	6,609
Hopkington	11,990	16,415,031	0.1	7,276
Hudson	0	17,651,279	0.0	0
Hull	1,109,998	11,276,721	9.8	126,315
Ipswich	0	12,110,437	0.0	3,296
Kingston	0	6,329,187	0.0	2,687
Lakeville	0	3,716,995	0.0	0
Lanesborough	0	1,965,059	0.0	0
Lawrence	4,952,716	95,087,914	5.2	1,481,175
Lee	0	6,339,838	0.0	0
Leicester	30,060	12,056,154	0.2	24,168
Lenox	0	6,820,562	0.0	0
Leominster	40,453	41,045,831	0.1	22,815
Lexington	8,329	49,973,389	0.0	833
Lincoln	0	6,091,153	0.0	0
Littleton	208,420	8,997,338	2.3	51,741
Longmeadow	7,095	21,480,906	0.0	6,037
Lowell	1,014,689	118,818,977	0.9	284,599
Ludlow	6,450	19,199,743	0.0	4,139
Lunenburg	182,457	10,383,770	1.8	85,657
Lynn	1,549,382	102,621,019	1.5	274,300
Lynnfield	0	13,064,741	0.0	0
Malden	2,327,712	43,855,519	5.3	1,417,579
Manchester	0	6,390,827	0.0	0
Mansfield	675,114	25,382,280	2.7	481,198
Marblehead	840,494	20,631,834	4.1	200,215
Marlborough	0	34,995,074	0.0	0
Marshfield	182,492	26,455,564	0.7	113,138
Mashpee	25,564	12,994,384	0.2	17,109
Maynard	19,431	10,571,859	0.2	4,799
Medfield	10,910	15,263,437	0.1	8,760
Medford	1,537,218	43,375,474	3.5	790,224
Medway	94,068	16,378,489	0.6	35,623
Melrose	530,098	24,003,651	2.2	408,611
Methuen	54,819	40,561,096	0.1	15,247
Middleborough	11,238	21,670,030	0.1	7,103
Milford	12,904	28,019,001	0.0	7,146
Millbury	266,760	11,157,257	2.4	174,905
Millis	85,610	7,846,296	1.1	51,472
Milton	20,932	24,548,785	0.1	20,932
Monroe	0	121,464	0.0	0
Monson	5,635	8,224,812	0.1	199
Nahant	7,435	2,775,559	0.3	4,640
Natick	0	31,486,273	0.0	0
New Ashford	0	168,281	0.0	0
New Bedford	0	99,373,715	0.0	5,613
Newburyport	446,401	17,208,675	2.6	446,401
Newton	18,030	100,733,445	0.0	4,882
Norfolk	72,995	6,797,988	1.1	49,375
N. Adams	0	14,153,244	0.0	3,826
N. Andover	23,901	25,161,900	0.1	9,004
N. Attleborough	477,360	27,246,318	1.8	333,781
N. Brookfield	0	5,554,394	0.0	0
Northampton	610,194	23,093,728	2.6	235,443
Northborough	0	12,571,707	0.0	0
Northbridge	0	14,153,919	0.0	0
Norton	191,412	16,738,519	1.1	138,841
Norwell	24,436	13,702,958	0.2	18,577
Norwood	150,216	26,032,571	0.6	107,359
Oak Bluffs	166,446	3,840,721	4.3	98,042
Orange	0	5,677,252	0.0	0
Orleans	0	2,548,201	0.0	0
Oxford	159,444	12,850,717	1.2	124,703
Palmer	6,168	12,767,412	0.0	6,168
Peabody	22,049	41,394,381	0.1	10,333
Pembroke	10,424	10,870,606	0.1	5,691
Petersham	0	846,272	0.0	0
Pittsfield	6,649	45,598,928	0.0	3,997
Plainville	172,856	4,125,449	4.2	89,641
Plymouth	1,321,063	61,330,931	2.2	912,131
Plympton	18,114	1,888,917	1.0	7,402
Provincetown	33,156	3,689,837	0.9	8,487
Quincy	85,405	61,977,912	0.1	43,835
Randolph	145,429	27,506,698	0.5	112,293
Revere	274,022	39,719,268	0.7	156,979
Richmond	0	1,879,507	0.0	0
Rockland	36,899	18,086,038	0.2	0
Rockport	0	6,862,024	0.0	0
Rowe	0	882,832	0.0	0
Salem	258,445	36,849,471	0.7	58,248
Sandisfield	0	5,000	0.0	0
Sandwich	81,875	21,171,676	0.4	54,222
Saugus	18,375	21,429,592	0.1	18,404
Savoy	0	759,501	0.0	0
Scituate	103,885	18,506,666	0.6	501
Sharon	118,710	21,630,883	0.5	82,105
Shirley	44,177	5,565,368	0.8	22,388
Shrewsbury	168,336	28,676,650	0.6	137,435
Somerset	62,244	19,267,876	0.3	28,541
Somerville	3,429,870	57,157,167	6.0	696,195
S. Hadley	104,882	15,365,409	0.7	38,788
Southampton	0	3,162,738	0.0	0
Southborough	0	8,602,394	0.0	0

	Charter school assessments	Net school spending (NSS)	Assess-ments (pct. of NSS)	Charter school tuition reimb.
Southbridge	0	17,010,298	0.0	0
Springfield	10,003,862	201,491,355	5.0	4,349,225
Stoneham	92,280	18,487,573	0.5	78,413
Stoughton	193,920	27,097,867	0.7	121,682
Sturbridge	0	5,766,826	0.0	0
Sudbury	0	18,361,210	0.0	0
Sunderland	0	1,669,639	0.0	1,355
Sutton	11,144	8,806,392	0.1	12,049
Swampscott	53,896	15,636,778	0.3	0
Swansea	38,136	13,685,473	0.3	20,503
Taunton	6,117	50,716,709	0.0	3,946
Tewksbury	29,475	25,852,114	0.1	15,159
Tisbury	200,721	3,533,224	5.7	16,778
Topsfield	0	4,128,375	0.0	0
Truro	58,023	2,531,021	2.3	5,718
Tyngsborough	11,450	12,024,606	0.1	11,450
Tyringham	0	326,673	0.0	0
Uxbridge	0	12,696,379	0.0	0
Wakefield	121,946	24,434,694	0.5	102,614
Wales	0	1,149,204	0.0	0
Walpole	205,765	22,083,183	0.9	134,344
Waltham	9,381	51,736,200	0.0	9,381
Ware	0	9,095,397	0.0	0
Wareham	5,990	22,716,329	0.0	3,614
Watertown	17,487	25,305,758	0.1	9,220
Wayland	0	21,442,573	0.0	0
Webster	55,241	12,590,132	0.4	47,018
Wellesley	0	32,428,019	0.0	0
Wellfleet	0	1,723,314	0.0	0
W. Boylston	5,632	6,538,200	0.1	3,443
W. Bridgewater	28,128	7,197,304	0.4	21,547
W. Springfield	6,505	25,735,495	0.0	403
Westborough	29,515	24,287,139	0.1	14,607
Westfield	44,170	41,132,983	0.1	20,002
Westford	23,792	24,136,801	0.1	6,692
Westhampton	19,317	992,298	1.9	15,070
Westport	21,624	10,613,131	0.2	2,061
Westwood	6,109	21,464,774	0.0	4,257
Weymouth	306,322	43,109,324	0.7	76,882
Whately	0	920,289	0.0	0
Williamsburg	77,268	1,750,157	4.4	18,956
Williamstown	0	3,507,609	0.0	0
Wilmington	11,784	22,378,270	0.1	10,884
Winchendon	5,570	11,911,050	0.0	5,570
Winchester	7,300	24,926,807	0.0	391
Winthrop	0	13,640,664	0.0	5,137
Woburn	42,945	33,714,723	0.1	26,824
Worcester	8,063,784	190,014,714	4.2	2,791,816
Wrentham	122,409	6,813,080	1.8	64,458
Municipal total	**76,186,411**	**5,629,098,747**	**1.4**	**29,173,303**

Regional schools	Charter school assessments	Net school spending (NSS)	Assess-ments (pct. of NSS)	Charter school tuition reimb.
Acton Boxborough	193,347	16,704,458	1.2	10,657
Adams Cheshire	0	12,525,385	0.0	0
Amherst Pelham	330,363	16,974,625	1.9	181,299
Ashburnham Westminster	12,821	15,609,662	0.1	12,821
Assabet Valley	0	8,451,378	0.0	0
Athol Royalston	7,137	15,560,454	0.0	7,137
Berkshire Hills	0	12,922,697	0.0	2,488
Berlin Boylston	8,720	3,477,248	0.3	209
Blackstone Millville	0	14,149,421	0.0	0
Bridgewater Raynham	11,632	33,893,904	0.0	7,086
Central Berkshire	6,689	15,694,829	0.0	748
Chesterfield Goshen	15,214	1,127,352	1.3	5,056
Concord Carlisle	53,310	10,761,628	0.5	17,017
Dennis Yarmouth	399,440	29,637,106	1.3	305,295
Dighton Rehoboth	0	18,779,759	0.0	0
Dover Sherborn	0	8,854,559	0.0	0
Dudley Charlton	0	21,015,138	0.0	0
Farmington River	0	2,244,504	0.0	0
Franklin County	0	5,261,245	0.0	0
Freetown Lakeville	0	11,019,069	0.0	3,728
Frontier	197,797	5,316,424	3.7	97,899
Gateway	80,494	11,951,227	0.7	11,402
Gill Montague	25,800	10,746,043	0.2	12,154
Greater Lawrence	0	16,806,420	0.0	0
Greater Lowell	0	20,407,970	0.0	0
Groton Dunstable	440,650	15,260,318	2.9	90,641
Hamilton Wenham	0	15,301,263	0.0	0
Hampden Wilbraham	5,640	22,118,589	0.0	5,640
Hampshire	99,904	5,745,520	1.7	33,003
Hawlemont	0	1,130,997	0.0	0
King Philip	132,020	12,312,001	1.1	109,513
Lincoln Sudbury	10,645	12,034,167	0.1	6,477
Martha's Vineyard	363,196	7,909,603	4.6	162,677
Masconomet	0	11,909,636	0.0	0
Mendon Upton	10,810	11,420,385	0.1	8,714
Minuteman	0	10,549,133	0.0	0
Mohawk Trail	161,129	11,764,919	1.4	17,448
Montachusett	0	10,569,376	0.0	0
Mount Greylock	0	6,071,438	0.0	0
Narragansett	5,557	9,539,976	0.1	3,386
Nashoba	133,176	20,879,235	0.6	43,648
Nashoba Valley	0	5,592,632	0.0	0
Nauset	1,174,263	14,203,553	8.3	78,624
New Salem Wendell	0	1,399,182	0.0	0
North Middlesex	326,825	29,360,741	1.1	56,240
North Shore	0	5,250,897	0.0	0
Northboro Southboro	0	8,138,187	0.0	1,129
Northeast Metropolitan	0	12,424,308	0.0	0
Old Rochester	0	8,673,467	0.0	0
Pathfinder	0	5,194,119	0.0	0
Pentucket	65,461	19,328,817	0.3	65,461
Pioneer	11,672	7,526,487	0.2	9,498
Quabbin	67,089	19,329,303	0.3	13,018
Quaboag	0	9,965,776	0.0	0
Ralph C. Mahar	30,428	6,807,687	0.4	15,322
Shawsheen Valley	0	13,346,579	0.0	0
Silver Lake	49,819	20,182,335	0.2	24,228
Southern Berkshire	0	8,460,885	0.0	0
Southwick Tolland	0	10,948,354	0.0	0

	Charter school assessments	Net school spending (NSS)	Assess-ments (pct. of NSS)	Charter school tuition reimb.
Spencer East Longmeadow	44,317	14,672,763	0.3	40,542
Tantasqua		10,817,556	0.6	0
Triton	124,487	22,132,142	9.2	124,487
Upisland	438,368	4,754,165	0.1	16,295
Wachusett	51,703	41,272,022	0.1	41,670
Whitman Hansen	16,810	26,636,681	0.0	11,562
Whittier	0	10,605,995	0.0	0
Regional total	**5,106,733**	**861,433,694**	**0.6**	**1,654,219**
State total	**81,293,144**	**6,490,532,442**	**1.3**	**30,827,522**

FY2000 Tuition for Approved Charter Schools

Table 2

Commonwealth charter schools	Full-time equivalent students	Local payment	State paid home/ private	Total tuition payments
Academy of the Pacific Rim	184.99	1,545	107	1,651
Benjamin Banneker	314.94	3,270	57	3,327
Boston University Residential	23.88	154	0	154
Cape Cod Lighthouse	170.00	1,383	0	1,383
Chelmsford Charter	198.07	1,192	97	1,289
City on a Hill	204.91	1,763	90	1,853
Conservatory Lab	57.59	474	26	500
Community Day Care	240.00	1,783	15	1,798
Sabis International	1134.46	7,902	126	8,027
Neighborhood House	179.08	1,524	14	1,537
Abby Kelly Foster	640.16	4,420	59	4,479
Sabis Foxboro	620.90	3,772	18	3,790
Benjamin Franklin Classical	361.71	2,364	46	2,410
South Boston Harbor Academy	160.00	1,103	286	1,389
Hilltown Cooperative	109.00	708	0	708
Robert M. Hughes Academy	121.00	770	85	855
Lawrence Family Development	424.72	3,229	8	3,236
Lowell Middlesex Academy	100.00	701	13	713
Lynn Community	228.87	1,483	45	1,528
Marblehead Community	175.95	1,269	7	1,276
Martha's Vineyard	141.00	1,408	44	1,452
Mystic Valley Advanced	650.78	4,170	35	4,206
North Star Academy	182.00	1,284	29	1,313
Francis W. Parker	346.00	2,182	26	2,208
Pioneer Valley	262.96	1,729	98	1,827
Renaissance	1140.11	9,677	222	9,900
River Valley	158.98	830	214	1,044
Rising Tide	214.57	1,421	27	1,448
Roxbury College Preparatory	78.99	608	78	686
Seven Hills	660.70	4,808	6	4,815
Somerville International	690.62	5,179	161	5,339
South Shore	357.44	2,233	20	2,254
Sturgis	202.08	1,205	127	1,332
Atlantis	546.60	3,753	13	3,766
State total	**11283.00**	**81,293**	**2,201**	**83,494**

Note: All figures except those shown in "Full-time equivalent students" are in millions of dollars.

Charter Schools
➡ *continued from page three*

school spending amount, and the charter tuition assessment as a percentage of net school spending. Under the provisions of M.G.L. Ch. 71 Sec. 89, no school district can be assessed more than six percent of the district's net school spending amount for charter school tuition. Calculated annually by DOE as part of the Education Reform Act of 1993, the net school spending amount for each district is the budgeted operating cost, excluding transportation and capital costs. Preliminary estimates for FY2000 indicate two districts (Edgartown and Somerville) are above six percent of net school spending. Therefore, the tuition for these two districts has been capped at six percent. There is a provision in the law which authorizes any school district that had a tuition assessment of five percent or more in FY1997 to be capped at an amount equal to the tuition percentage of net school spending in FY1997 plus three percent.[1] In FY2000, there are three school districts capped by this legislation. They are Hull, 13.28 percent; Up-Island (regional school district), 11.12 percent; and Nauset (regional school district), 11.8 percent. Currently, 14 districts are between four and six percent of net school spending, and 17 districts are between two and four percent. The remaining 160 districts are below two percent of net school spending.

In addition to the cap on tuition assessments, there is a limit on the total number of students enrolled in Commonwealth Charter Schools of two percent of the total statewide enrollment. FY2000 Charter School enrollment is 11,238 while statewide enrollment is 951,870. This means that 1.2 percent of all students enrolled statewide attend charter schools. With FY2001 charter enrollment projected at 13,250 it appears that 1.4 percent of total enrollment will be attending charter schools. At this rate of increase the total number of pupils in charter schools could conceivably reach the cap in the next couple of years. In *Table 2* (on page 5), we list the FY2000 approved Charter Schools, their preliminary FY2000 tuition from sending districts, tuition for private/home educated students, and total tuition.

In anticipation of the impact on municipal and school district budgets the charter school legislation provides a reimbursement to offset the loss in state aid. The original legislation provided a reimbursement to above foundation districts. For charter schools that were established before July 1, 1998, the reimbursement rates are 50 percent in the first year of the charter school's operation, 40 percent in the second year, and 30 percent in the third year. FY2000 is the last year that districts will receive above foundation reimbursements. Chapter 46 Sec. 2 of the Acts of 1997, added a second level of reimbursement. This section provides for reimbursement to any district whose total charter tuition is higher than the previous year's tuition. The reimbursement rate is 100 percent in the first year of the increase, 60 percent in the second year, and 40 percent in the third.

Communities and school districts should consider the potential budgetary impact of charter school tuition assessments. Since tuition is assessed from the quarterly local aid distributions in December, March and June, the resulting loss may cause a revenue deficit that the community or district will have to raise in the following year. Prudent budget officers include estimates of the upcoming year's tuition assessments when developing their budgets.

The Governor's FY2001 Budget proposal (H1A) proposes three amendments to the current charter school legislation: 1) increase the cap on the number of charter schools from 13 Horace Mann and 37 Commonwealth Charter Schools to 48 Horace Mann and 72 Commonwealth Charter Schools; 2) repeal a provision of Ch. 71 Sec. 89 prohibiting school building assistance funds from being awarded to charter schools; and 3) amend the reimbursement percentage for increases in tuition to 50 percent in the year the increase occurs.

Additional information on the charter school program can be obtained by calling Lisa Juszkiewicz of Local Services at (617) 626-2386; or Rebecca Holmes of DOE at (781) 338-6518; or by visiting the Office of School Finance's web site at www.finance1.doe.mass.edu. ■

written by Lisa Juszkiewicz

1. M.G.L. Ch. 71 Sec. 89.

Something in Common

1. Which five communities have a section called Centerville?

2. Name two communities with an area called Dublin.

3. In which two towns would you find a section called "East Village?"

4. Fairlawn is a section of which two towns?

Answers: 1. Barnstable, Douglas, Grafton, Uxbridge and Winchendon; **2.** Bridgewater and Peabody; **3.** Amherst and Webster; **4.** Tewksbury and Shrewsbury. ■

DLS UPDATE

New Farmland Valuations

The Bureau of Local Assessment recently sent a letter to local boards of assessors advising them of the ranges of value developed by the Farmland Valuation Advisory Commission (FVAC) for fiscal year 2001. These values are used only for the various categories of land classified under Chapter 61A as agricultural or horticultural land. Boards of assessors must consider only those indices of value that such land has for agricultural or horticultural uses. The ranges of value are used in conjunction with the assessors' personal knowledge, judgment and experience as to agricultural or horticultural land values. Values adopted outside the range must be supported by a comprehensive study of local factors influencing value.

The FVAC consists of one representative each from the school of agriculture at the University of Massachusetts at Amherst, the Massachusetts Association of Assessing Officers, the Department of Food and Agriculture, the Department of Housing and Community Development and the Department of Revenue. The representative from the Department of Revenue, usually the Chief of the Bureau of Local Assessment, serves as chairman of the Commission. A Farmland Valuation Technical Subcommittee researches values and prepares recommendations for the FVAC to adopt.

The FVAC uses a capitalization of ground rent model for all classes of land use except cranberry bogs. For cranberry bogs, ground rent data was determined to be less reliable, but supportive of yield/price figures. Therefore, for this crop the FVAC adopted values using the capitalization of production income attributable to the land. Questions may be directed to the Bureau of Local Assessment, Grace Sandell, Program Coordinator, at (617) 626-2322. FVAC values are available on the DLS website (see page 8 for the address.)

Proposed 2000 Equalized Valuations

The Bureau of Local Assessment (BLA) mailed proposed 2000 Equalized Valuations (EQVs) to cities and towns on May 30, 2000. The statewide total is $483 billion. These values estimate the full and fair cash value of all taxable property in each municipality as of January 2000. BLA requested calendar year 1998 sales reports reflecting assessed values as of January 1, 1999, from each community. If a community's values had been certified by BLA in FY2000, BLA used the sales reports submitted for that purpose. The Total Assessed Value as of January 1, 1999, submitted as part of the FY2000 tax rate setting process, were also used. BLA supplemented that information with appraisals of certain commercial and industrial properties. Through statistical analysis, BLA determined levels of assessment for each of the major classes of property and then estimated full and fair cash values using those ratios. They projected new construction value for 2000 by reviewing the past four years' new growth, and then added it to the full and fair cash values.

EQVs are used in a number of local aid calculations including the lottery, State Owned Land, aid to Public Libraries and the annual Ed Reform's Overburden Aid percentages. The Cherry Sheet charges that use EQV are County Tax, Boston Metropolitan Transit District, Mosquito Control Projects and Air Pollution Control Districts. EQV is also used in calculating a community's debt limits.

From June 1–7, 2000, DLS was available for hearings in the Boston, Worcester and Springfield offices to allow Boards of Assessors to meet with BLA staff to present documentation supporting different values or to express concerns. Subsequently, assessors can appeal to the Appellate Tax Board if they are dissatisfied with their EQVs. Once the values are finalized, they are adopted by the Legislature and used as a basis of comparison in calculating the allocation of certain local aid for fiscal years 2002 and 2003.

DLS Team Honored

Rick Kingsley, Mindy Ordway, Joan Grourke and Joe Markarian of the Municipal Data Management/Technical Assistance Bureau (MDM/TAB) have been awarded a Governor's Pride in Performance Award for 2000.

In addition to maintaining a wealth of financial information in its databank, MDM/TAB provides assistance to local communities addressing difficult financial management issues and/or coping with specific fiscal problems. The group received the award for over 200 projects through which they provided technical assistance to various cities and towns. The projects culminate in comprehensive, written reports with results-oriented and practical recommendations — one of the most popular services DLS provides for local communities. MDM/TAB draws on the expertise of other Bureaus in DLS as needed. The entire Division of Local Services was also mentioned in the award for providing support for the program.

The Pride in Performance Award is given annually to public employees who make meaningful contributions that distinguish them from their peers. ■

Municipal Fiscal Calendar

June 30
State Treasurer: *Notification of quarterly local aid payments before June 30.*

Assessors: *Overlay surplus closes to surplus revenue.*

Assessors: *Physical inventory of all parcels for communities that accepted M.G.L. Ch. 59 Sec. 2A(a).*

Assessors: *Submit annual report of omitted or revised assessments.*

Assessors: *Last day to submit requests for current fiscal year reimbursements of exemptions granted under the various clauses of Ch. 59 Sec. 5.*

July 1
Collector: *Mail preliminary quarterly tax bill.*

June 15
Accountant: *Certification date for free cash: anytime after books are closed.*

Assessors: *Deadline for appealing commissioner's pipeline valuations to ATB*

July 31
Treasurer: *File IRS Form 5500 (report of employee benefit plan).*

Mark Your Calendars — Opportunities for Training

Course 101, **Assessment Administration: Law, Procedures, Valuation** will be given at the University of Massachusetts in Amherst, August 7–11, 2000, from 8:30 a.m. to 4:00 p.m.

A **Classification Training Workshop** will be given on Wednesday, August 9, 2000, at the Campus Center, University of Massachusetts, Amherst at 10:00 a.m.

Contact Barbara LaVertue, Coordinator of Training, at (617) 626-2340 for further information.

Foreclosure
➡ *continued from page two*

Ruling in favor of the taxpayer, the Appeals Court held that a substantiated due process claim could be made beyond the one-year period where title remains in the municipality. The Appeals Court declined to decide, however, what the decision would be if the town had sold the subject property to an innocent purchaser without notice of Financial's due process claim. ■

written by James Crowley

1. 48 Mass. App. 536 (2000).
2. MGL Ch. 60 Sec. 66 and Ch. 4 Sec. 7 Cl. 44.
3. 339 U.S. 306 (1950).
4. MGL Ch. 60 Sec. 69A.
5. MGL Ch. 60 Sec. 66.

City & Town

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Frederick A. Laskey, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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Appropriations Contingent on Proposition 2½ Referendum

written by Kathleen Colleary

Recent legislation extended the time for towns to present Proposition 2½ override and exclusion questions to voters in order to fund "contingent appropriations."[1] A contingent appropriation is an appropriation voted by town meeting with language that expressly makes it subject to or contingent upon the approval of a Proposition 2½ referendum question. The appropriation can be funded by the tax levy ("raise and appropriate"), an available fund, or borrowing. By law, a contingent appropriation does not take effect unless the voters approve the related referendum question at an election held by a specified deadline.[2] This option is not available to cities.

Contingent appropriations are used to expand the property tax levy limits set by Proposition 2½ to accommodate town meeting spending decisions. Although the Division of Local Services does not determine actual compliance with Proposition 2½ until several months into the fiscal year when the tax rate is set, prudent communities adopt balanced budgets in the spring. The budget should be based on the amount of property taxes, other local revenues, and state aid likely to be available for the upcoming year. Communities may seek voter approval of an override or exclusion to increase levy capacity before or after the budget is adopted. If the budget cannot be funded within the final levy limit, however, and a referendum is not sought or is unsuccessful, the appropriating body must reduce spending before the tax rate can be set. In the meantime, departments can spend at appropriated levels. When a balanced budget is adopted but an override or exclusion to supplement spending is approved later, further action by the appropriating body is likely to be required before the tax rate can be set. Having to bring the budget into balance after the fiscal year gets underway results in the added expense of calling special town meetings and may lead to uncertainty about service levels and delays in tax billing.

A town can eliminate the need to call a special town meeting to finalize the budget by using contingent appropriations to identify particular annual operating, or special purpose, appropriations that will take effect only if voters approve funding them with additional taxes. Voter action on the referendum then determines whether those items are included in the final budget for the year.

Contingent appropriations are most often used to fund special purpose appropriations for capital expenditures. Major capital projects such as new schools are typically funded by borrowing, which means the debt authorization may be made contingent on passage of a debt exclusion.[3] Appropriations for capital projects or items for which the town could legally borrow, but fund from the levy or available funds instead, may be voted subject to a capital expenditure exclusion.[4] In addition, town meeting may appropriate all or part of annual operating budget items, including assessments for regional school budgets, contingent on an override.[5]

Towns now have until September 15 to obtain voter approval of an override or exclusion question for a contingent appropriation made at an annual town meeting, which by law must occur in February, March, April or May. A question for a contingent appropriation made at any other town meeting must be approved within 90 days after the meeting dissolves. The question may be presented to the voters at more than one election. If it is not approved by the applicable deadline, however, the appropriation is null and void. Previously, an initial election on the question had to take place within 45 days of the dissolution of the town meeting at which the appropriation was voted.

The selectmen still have the sole power to decide whether to call a Proposition 2½ referendum election for any contingent appropriations and how to structure it. The town meeting vote does not place an override or exclusion question on the ballot. It simply conditions spending on the approval of the question.

The new deadlines give towns more flexibility in scheduling elections. Voting contingent appropriations from the tax levy, particularly at special town meetings held in the fall, can delay tax bill-

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LEGAL

in Our Opinion

Watershed Lands

The Commissioner of Revenue is responsible for valuing state-owned land in every fifth year.[1] These values are used to determine reimbursements for tax revenues lost as a result of the state's ownership of certain properties formerly subject to local taxation. They are also used to calculate the Metropolitan District Commission's (MDC) annual payments to communities in lieu of taxes, from funds provided by the Massachusetts Water Resources Authority (MWRA) for certain watershed lands. The town of Boylston contested the Commissioner's values for land comprising the Wachusett Reservoir and watershed. The town appealed to the Appellate Tax Board (ATB) claiming that the January 1, 1990 and January 1, 1995 values were erroneous and that the MWRA should have reimbursed the town for land beneath the Wachusett Reservoir.[2] The ATB, however, ruled last April that land beneath the Wachusett Reservoir was not watershed land eligible for reimbursement. The decision is *Town of Boylston v. Commissioner of Revenue, Metropolitan District Commission and Massachusetts Water Resources Authority.*[3]

To help supply water to the City of Boston and its suburbs, the Legislature established the Wachusett Reservoir in the 1890s. The Wachusett Reservoir encompasses 5,163 acres of land in the towns of Boylston, Clinton, West Boylston and Sterling. When the Legislature created the MWRA in 1984, the enabling legislation required the MWRA to make payments in lieu of taxes for lands within the Quabbin and Ware River watersheds. In 1987, the law was further amended to include reimbursement for land within the Wachusett and Sudbury watersheds. Although Wachusett watershed land first became eligible for reimbursement in fiscal year 1988, the Commonwealth's next cycle for valuing state-owned land did not begin until January 1, 1990.

In its appeal of the Commissioner's values, the town of Boylston argued that the state should have included submerged land in its valuations. At issue was the meaning of the term "watershed." After noting that "watershed" was not defined in M.G.L. Ch. 59, Sec. 5G, the ATB looked to other statutory provisions and at the ordinary meaning for assistance in interpretation. In the MWRA enabling act, the ATB found that the Legislature defined "watershed system" as including two distinct areas: "reservoirs" and "watersheds." Relying on dictionary definitions, the ATB ruled that "watershed" included land surrounding and draining into a reservoir but did not signify land submerged beneath a reservoir. The ATB, therefore, held that Boylston could not be reimbursed for land beneath the Wachusett Reservoir.

The ATB then addressed the valuation methodologies used by the Commissioner in valuing the Wachusett watershed land. In an earlier decision, the ATB had approved the Commissioner's procedures since they were designed to achieve the statutory objectives, properly implemented, and could be applied equally to each city and town in the Commonwealth. Under the facts presented in the present case, the ATB held that the values produced by the Commissioner's methodology approximated fair cash value. In the ATB's view, the town's criticism of the Commissioner's approach to value was without merit.

The ATB recognized that the Supreme Judicial Court (SJC) had narrowed the ATB's standard of review in state-owned land cases. In *Board of Assessors of Sandwich v. Commissioner of Revenue*, the SJC had restricted the ATB to determining whether the Commissioner's methodology satisfied the fair cash value standard and was, in fact, properly implemented.[4] According to the court, the statutory goal is to approximate value given the scope of the statewide valuation program and the Commissioner's limited resources. In applying the tests set forth by the court in *Sandwich*, the ATB held that the Commissioner had complied with state statute in valuing the Wachusett watershed land.

The Boylston case holds that the Commissioner should not value submerged land for reimbursement by the MDC under M.G.L. Ch. 59, Sec. 5G, since "watershed" by definition does not include land under a reservoir. This ATB decision, however, effects only the Quabbin, Wachusett, Sudbury and Ware River watersheds managed by the MDC. It does not change the Department's practice of assigning modest value to land beneath reservoirs, large ponds and other bodies of water for *state-owned land* valuation purposes. M.G.L. Ch. 58, Sec. 13 requires the Commissioner to value at full and fair cash value "all land" owned by the Commonwealth and used or held for certain purposes. Communities are reimbursed annually on the Cherry Sheet for lost tax revenues based on these valuations.

The town of Boylston has decided to appeal this ATB decision. ■

written by James Crowley

1. M.G.L. Ch. 58, Sec. 13.
2. M.G.L. Ch. 59, Sec. 5G
3. Docket No. F183626, F229026 (2000).

Focus on Municipal Finance

FY2000 Single Family Tax Bills and Property Values

For the second consecutive year the statewide average tax rate fell, decreasing 1.7 percent to $14.48. The average assessed value rose from $173,576 to $185,086 between FY1999 and FY2000, an increase of 6.7 percent, which is greater than the 5.2 percent increase from FY1998 to FY1999. The average single family tax bill rose 4.8 percent from $2,557 in FY1999 to $2680 in FY2000, greater than the 3.8 percent increase that occurred between FY1998 and FY1999. This annual review of average single family tax bills and average assessed values in the state's 351 municipalities is one of the most requested articles in *City and Town*.

Statewide Trends

Figure 1 shows the trend in average single family tax bills for the entire state since FY1990. Looking at actual dollars, there is a steady increase from $1711 to $2680 (56.6 percent). When translated into constant dollars, however, there has been much less change, an 18.2 percent increase. Constant dollars have been calculated by taking FY1990 dollars and applying the January Consumer Price Index for All Urban Consumers, Boston. There are 11 communities that have residential exemptions, which shift some of the tax burden from lower valued, owner-occupied homes to higher valued homes and rental properties. DLS does not have adequate information to calculate the average single family tax bills in those communities. The communities are Boston, Brookline, Cambridge, Chelsea, Marlborough, Nantucket, Somerville, Somerset, Tisbury, Waltham, and Watertown. Since the towns of Salisbury and Windsor have not had their FY2000 tax rates approved, they are also excluded from this analysis.

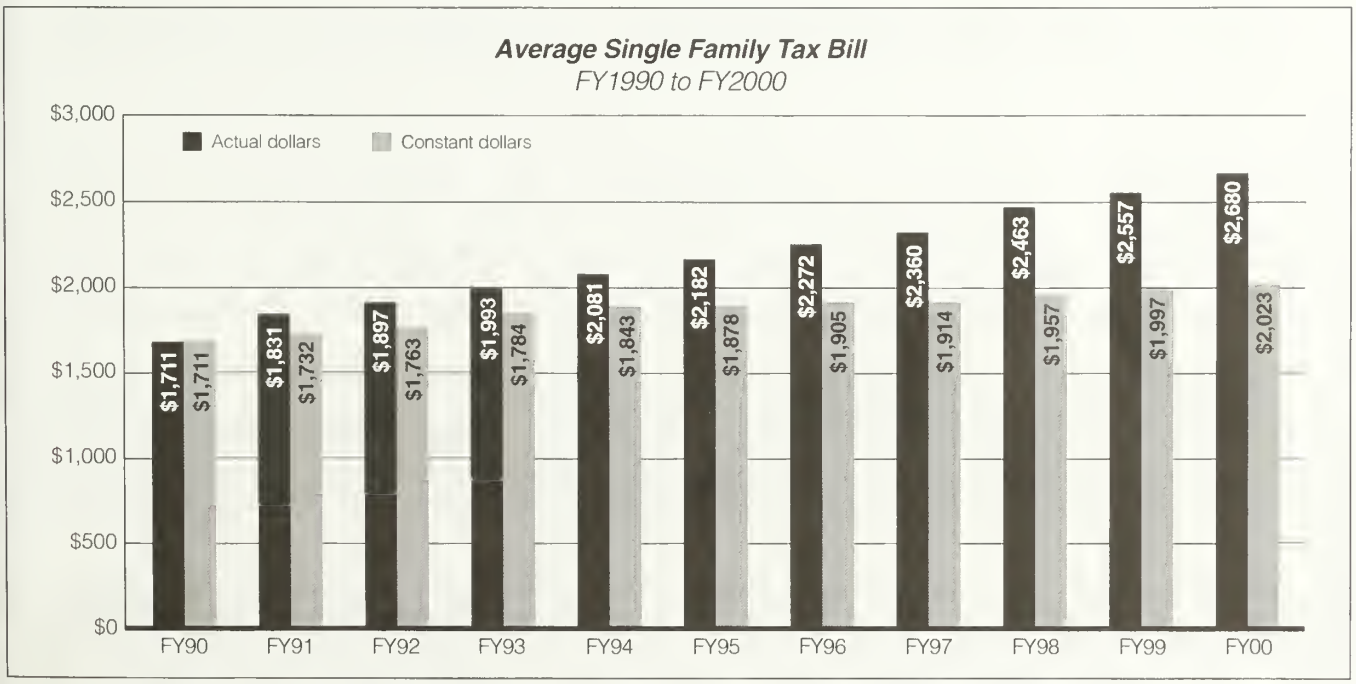
Figure 2 shows that the statewide average assessed value in FY2000 is greater than the average assessed value in FY1990 in actual dollars, but not in constant dollars. In actual dollars the average value increased from $174,817 to $185,086 (5.9 percent). In constant dollars the average assessed value is $139,688 in FY2000, less than the average value in FY1990 ($174,817). The actual statewide tax rate fell 1.7 percent from $14.73 to $14.48 in FY2000, a year after the state had experienced a 1.3 percent decline from FY1998 to FY1999.

Community Trends

Table 1 shows the average assessed value and the average single family tax bill for all 351 cities and towns for FY1999 and FY2000. It ranks cities and towns for the average FY2000 tax bill from highest to lowest and shows the percent change in average value and the average tax bill. In general, commu-

continued on page six ➡

Figure 1



FY2000 Average Single Family Tax Bills

Municipality	FY99 avg. value	FY00 avg. value	Pct. chg. in value	FY99 avg. tax bill	FY00 avg. tax bill	FY00 hi–lo rank	Pct. chg. in bill	FY00 tax rate
Abington	151,668	152,678	0.67	2,750	2,916	95	6.04	19.1
Acton	267,286	293,642	9.86	4,950	5,118	15	3.39	17.43
Acushnet	121,013	124,380	2.78	1,677	1,753	267	4.53	14.09
Adams	87,122	86,508	–0.70	1,509	1,525	306	1.06	17.63
Agawam	118,659	122,114	2.91	1,885	1,832	252	–2.81	15
Alford	250,689	261,720	4.40	1,865	2,026	217	8.63	7.74
Amesbury	154,242	170,494	10.54	2,692	3,048	81	13.22	17.88
Amherst	164,967	180,598	9.48	3,296	3,552	52	7.77	19.67
Andover	284,814	313,846	10.19	4,321	4,598	22	6.41	14.65
Aquinnah	388,732	389,641	0.23	2,282	2,591	124	13.54	6.65
Arlington	212,280	212,619	0.16	3,645	3,755	43	3.02	17.66
Ashburnham	103,710	111,200	7.22	1,845	2,068	210	12.09	18.6
Ashby	115,710	125,508	8.47	2,097	2,224	184	6.06	17.72
Ashfield	126,110	130,807	3.72	2,127	2,221	185	4.42	16.98
Ashland	183,992	212,492	15.49	3,371	3,440	54	2.05	16.19
Athol	75,088	75,279	0.25	1,111	1,125	329	1.26	14.95
Attleboro	128,360	129,443	0.84	1,916	1,986	223	3.65	15.34
Auburn	115,854	116,828	0.84	1,543	1,556	304	0.84	13.32
Avon	143,328	143,982	0.46	1,668	1,790	259	7.31	12.43
Ayer	137,871	141,634	2.73	1,525	1,603	296	5.11	11.32
Barnstable	180,775	183,533	1.53	2,225	2,349	157	5.57	12.8
Barre	96,657	97,768	1.15	1,639	1,691	280	3.17	17.3
Becket	98,163	99,776	1.64	1,129	1,203	324	6.55	12.06
Bedford	294,154	306,163	4.08	3,521	3,726	46	5.82	12.17
Belchertown	126,235	130,827	3.64	2,252	2,478	137	10.04	18.94
Bellingham	134,228	149,036	11.03	1,981	2,060	212	3.99	13.82
Belmont	380,389	434,768	14.30	5,234	5,356	11	2.33	12.32
Berkley	139,869	153,181	9.52	1,747	1,858	247	6.35	12.13
Berlin	184,157	188,577	2.40	2,698	2,864	98	6.15	15.19
Bernardston	111,338	112,365	0.92	2,015	1,957	228	–2.88	17.42
Beverly	210,610	234,883	11.53	3,205	3,403	57	6.18	14.49
Billerica	155,469	171,131	10.07	2,349	2,379	152	1.28	13.9
Blackstone	126,951	137,200	8.07	1,964	2,053	213	4.53	14.96
Blandford	121,300	121,488	0.15	1,633	1,635	290	0.12	13.46
Bolton	250,316	284,538	13.67	4,283	4,669	21	9.01	16.41
Boston	0	0	0.00	0	0	0	0.00	0
Bourne	153,654	162,049	5.46	2,004	2,074	208	3.49	12.8
Boxborough	284,068	304,260	7.11	5,017	5,136	14	2.37	16.88
Boxford	321,863	360,292	11.94	4,841	4,882	17	0.85	13.55
Boylston	189,861	191,577	0.90	2,837	3,236	68	14.06	16.89
Braintree	160,317	185,810	15.90	2,139	2,274	174	6.31	12.24
Brewster	157,093	173,704	10.57	2,074	2,071	209	–0.14	11.92
Bridgewater	157,762	185,416	17.53	2,420	2,601	123	7.48	14.03
Brimfield	115,630	116,532	0.78	1,791	1,861	246	3.91	15.97
Brockton	96,917	106,487	9.87	1,883	1,923	237	2.12	18.06
Brookfield	103,014	103,663	0.63	1,781	1,792	257	0.62	17.29
Brookline	0	0	0.00	0	0	0	0.00	0
Buckland	100,485	101,427	0.94	1,897	1,891	241	–0.32	18.64
Burlington	193,423	216,202	11.78	2,108	2,227	182	5.65	10.3
Cambridge	0	0	0.00	0	0	0	0.00	0
Canton	221,487	224,028	1.15	3,019	3,183	72	5.43	14.21
Carlisle	386,310	394,578	2.14	6,034	7,023	3	16.39	17.8
Carver	116,989	139,570	19.30	2,233	2,349	158	5.19	16.83
Charlemont	102,088	102,059	–0.03	2,096	2,049	214	–2.24	20.08
Charlton	130,746	132,919	1.66	1,675	1,840	248	9.85	13.84
Chatham	248,439	249,975	0.62	2,355	2,520	129	7.01	10.08
Chelmsford	180,434	195,210	8.19	3,268	3,385	59	3.58	17.34
Chelsea	0	0	0.00	0	0	0	0.00	0
Cheshire	106,898	108,049	1.08	1,229	1,243	322	1.14	11.5
Chester	96,542	100,590	4.19	1,549	1,579	300	1.94	15.7
Chesterfield	108,630	109,401	0.71	2,269	2,351	156	3.61	21.49
Chicopee	99,231	99,377	0.15	1,610	1,655	286	2.80	16.65
Chilmark	573,319	809,733	41.24	1,840	1,927	235	4.73	2.38
Clarksburg	88,750	89,218	0.53	1,272	1,202	325	–5.50	13.47
Clinton	112,508	128,302	14.04	1,868	2,068	211	10.71	16.12
Cohasset	341,124	358,491	5.09	5,100	5,410	10	6.08	15.09
Colrain	95,744	96,012	0.28	1,720	1,791	258	4.13	18.65
Concord	463,297	467,344	0.87	5,513	5,655	8	2.58	12.1
Conway	146,834	149,174	1.59	2,672	2,790	104	4.42	18.7
Cummington	112,405	114,567	1.92	1,613	1,657	285	2.73	14.46
Dalton	117,739	118,875	0.96	2,137	2,194	194	2.67	18.46
Danvers	186,435	202,328	8.52	2,899	2,996	85	3.35	14.81
Dartmouth	161,880	163,008	0.70	1,878	1,948	229	3.73	11.95
Dedham	189,323	190,446	0.59	2,660	2,809	103	5.60	14.75
Deerfield	143,747	144,561	0.57	1,890	2,168	198	14.71	15
Dennis	143,241	155,957	8.88	1,268	1,347	317	6.23	8.64
Dighton	139,982	142,224	1.60	1,961	1,944	230	–0.87	13.67
Douglas	130,283	132,996	2.08	2,126	2,260	180	6.30	16.99
Dover	534,134	545,620	2.15	5,705	6,209	5	8.83	11.38
Dracut	133,716	149,420	11.74	2,272	2,344	159	3.17	15.69
Dudley	112,300	112,991	0.62	1,213	1,378	315	13.60	12.2
Dunstable	202,985	206,175	1.57	3,191	3,229	69	1.19	15.66
Duxbury	269,906	309,044	14.50	4,386	4,586	23	4.56	14.84
E. Bridgewater	145,271	146,819	1.07	2,544	2,640	117	3.77	17.98
E. Brookfield	116,476	117,195	0.62	1,095	1,242	323	13.42	10.6
E. Longmeadow	143,820	144,682	0.60	2,794	2,956	91	5.80	20.43
Eastham	145,435	146,915	1.02	1,694	1,720	275	1.53	11.71
Easthampton	109,706	110,511	0.73	1,824	1,881	243	3.13	17.02
Easton	188,223	205,472	9.16	3,170	3,337	62	5.27	16.24
Edgartown	306,408	372,931	21.71	2,304	2,327	163	1.00	6.24
Egremont	211,326	212,888	0.74	2,025	2,218	186	9.53	10.42
Erving	88,566	92,513	4.46	833	327	338	–60.74	3.54
Essex	200,827	222,272	10.68	2,832	2,967	88	4.77	13.35
Everett	119,799	135,968	13.50	1,536	1,415	314	–7.88	10.41
Fairhaven	114,953	116,108	1.00	1,669	1,758	265	5.33	15.14
Fall River	119,781	120,211	0.04	1,252	1,257	321	0.40	10.46
Falmouth	184,041	188,987	2.69	2,043	2,166	199	6.02	11.46
Fitchburg	94,133	97,869	3.97	1,691	1,782	262	5.38	18.21
Florida	62,101	62,887	1.27	863	594	336	–31.17	9.45
Foxborough	184,998	195,889	5.89	2,895	3,028	84	4.59	15.46
Framingham	170,899	198,709	16.27	3,045	3,205	71	5.25	16.13
Franklin	195,015	216,658	11.10	2,715	2,840	100	4.60	13.11
Freetown	138,222	139,446	0.89	1,917	2,015	219	5.11	14.45
Gardner	91,742	92,404	0.72	1,679	1,773	264	5.60	19.19
Georgetown	192,665	195,464	1.45	2,896	2,959	89	2.18	15.14
Gill	109,582	110,675	1.00	1,666	1,687	281	1.26	15.24
Gloucester	199,526	213,664	7.09	3,011	3,169	76	5.25	14.83
Goshen	109,113	116,202	6.50	1,930	1,918	238	–0.62	16.51
Gosnold	332,093	330,613	–0.45	807	827	332	2.48	2.5
Grafton	154,723	156,419	1.10	2,403	2,471	138	2.83	15.8
Granby	125,616	122,993	–2.09	1,985	2,033	215	2.42	16.53
Granville	130,320	131,656	1.03	2,127	2,185	196	2.73	16.6
Grt. Barrington	149,460	152,388	1.96	2,562	2,615	121	2.07	17.16
Greenfield	102,248	102,287	0.04	2,093	2,218	187	5.97	21.68
Groton	203,311	207,685	2.15	3,564	3,907	40	9.62	18.81
Groveland	172,248	173,958	0.99	2,554	2,662	115	4.23	15.3
Hadley	150,425	151,733	0.87	1,876	1,977	224	5.38	13.03
Halifax	138,555	145,626	5.10	2,217	2,374	154	7.08	16.3
Hamilton	241,046	264,094	9.56	3,845	4,146	33	7.83	15.7
Hampden	143,300	149,957	4.65	2,670	2,635	118	–1.31	17.57
Hancock	119,338	123,421	3.42	807	666	333	–17.47	5.4
Hanover	207,423	212,870	2.63	3,599	3,870	41	7.53	18.18
Hansen	144,531	162,551	12.47	2,511	2,674	113	6.49	16.45
Hardwick	113,036	122,448	8.33	1,831	1,873	245	2.29	15.3
Harvard	308,833	312,010	1.03	4,104	4,306	30	4.92	13.8
Harwich	165,770	167,540	1.07	1,940	1,960	227	1.03	11.7
Hatfield	146,700	148,166	1.00	1,851	1,962	226	6.00	13.24
Haverhill	133,704	134,752	0.78	2,211	2,324	164	5.11	17.25
Hawley	105,709	112,788	6.70	1,586	1,662	284	4.79	14.74
Heath	92,851	93,616	0.82	1,684	1,818	255	7.96	19.42
Hingham	281,103	304,368	8.28	4,143	4,447	28	7.34	14.61
Hinsdale	99,304	109,359	10.13	1,609	1,713	278	6.46	15.66
Holbrook	114,657	126,140	10.02	2,223	2,262	179	1.75	17.93
Holden	143,471	147,307	2.67	2,607	2,693	112	3.30	18.28
Holland	103,131	103,467	0.33	1,761	1,737	272	–1.36	16.79
Holliston	200,006	222,883	11.44	3,572	4,007	37	12.18	17.98
Holyoke	94,269	97,796	3.74	1,495	1,558	303	4.21	15.93
Hopedale	152,467	171,892	12.74	2,778	2,919	94	5.08	16.98
Hopkington	260,041	270,690	4.10	3,794	4,250	32	12.02	15.7
Hubbardston	110,191	111,184	0.90	1,752	1,825	253	4.17	16.41
Hudson	154,320	171,745	11.29	2,211	2,315	166	4.70	13.48
Hull	140,132	168,865	20.50	2,667	2,891	96	8.40	17.12
Huntington	98,290	98,780	0.50	1,520	1,590	299	4.61	16.1
Ipswich	209,232	229,010	9.45	2,990	3,183	73	6.45	13.9
Kingston	152,623	165,384	8.36	2,585	2,711	110	4.87	16.39
Lakeville	146,207	149,050	1.94	1,825	1,906	240	4.44	12.79
Lancaster	146,055	157,804	8.04	2,100	2,384	150	13.52	15.11
Lanesborough	109,928	110,564	0.06	1,864	1,670	283	–10.41	15.1
Lawrence	78,995	94,842	20.06	1,540	1,485	310	–3.57	15.66
Lee	113,199	113,037	–0.14	1,687	1,677	282	–0.59	14.84
Leicester	104,781	105,632	0.81	1,661	1,739	270	4.70	16.46
Lenox	168,018	180,001	7.13	2,285	2,376	153	3.98	13.2
Leominster	114,922	131,653	14.56	1,957	2,088	205	6.69	15.86
Leverett	146,063	174,779	19.66	3,063	3,237	67	5.68	18.52
Lexington	359,954	382,739	6.33	4,604	4,689	20	1.85	12.25
Leyden	125,553	125,751	0.16	2,045	2,217	188	8.41	17.63
Lincoln	599,420	651,706	8.72	7,127	7,475	2	4.88	11.47
Littleton	185,300	203,375	9.75	2,759	2,866	97	3.88	14.09
Longmeadow	196,942	214,654	8.99	3,927	4,096	34	4.30	19.08
Lowell	108,283	108,585	0.28	1,993	1,998	222	0.25	18.4
Ludlow	114,186	115,426	1.09	1,864	1,939	231	4.02	16.8
Lunenburg	135,443	152,103	12.30	2,411	2,528	128	7.85	16.62
Lynn	111,459	124,571	11.76	1,976	2,202	191	11.44	17.68
Lynnfield	283,737	283,998	0.09	3,603	3,743	45	3.89	13.18
Malden	129,739	130,052	0.24	2,186	2,267	176	3.71	17.43
Manchester	466,310	507,291	8.79	5,316	5,494	9	3.35	10.83
Mansfield	194,079	196,916	1.46	3,185	3,346	61	5.05	16.99
Marblehead	316,450	343,432	8.53	3,671	3,826	42	4.22	11.14
Marion	228,011	256,603	12.54	3,078	3,213	70	4.39	12.52
Marlborough	0	0	0.00	0	0	0	0.00	0
Marshfield	172,388	183,033	6.18	2,613	2,756	106	5.47	15.06
Mashpee	158,331	160,046	1.08	2,153	2,290	171	6.36	14.31
Mattapoisett	174,454	204,756	17.37	2,781	2,920	93	5.00	14.26
Maynard	152,819	169,504	10.92	2,835	3,043	82	7.34	17.95
Medfield	284,474	287,447	1.05	4,591	4,740	18	3.25	16.49
Medford	166,945	167,364	0.25	2,586	2,664	114	3.02	15.92
Medway	178,868	197,670	10.51	3,304	3,437	55	4.03	17.39
Melrose	197,400	234,741	18.92	3,103	3,293	63	6.12	14.03
Mendon	170,327	187,506	10.09	2,383	2,606	122	9.36	13.9
Merrimac	159,133	160,873	1.09	2,365	2,511	132	6.17	15.61

Municipality	FY99 avg. value	FY00 avg. value	Pct. chg. in value	FY99 avg. tax bill	FY00 avg. tax bill	FY00 hi–lo rank	Pct. chg. in bill	FY00 tax rate
Methuen	125,396	149,445	19.18	2,105	2,267	177	7.70	15.17
Middleborough	124,056	134,826	8.68	2,166	2,295	170	5.96	17.02
Middlefield	97,149	97,357	0.21	1,689	1,627	291	–3.67	16.71
Middleton	217,606	224,262	3.06	3,151	3,395	58	7.74	15.14
Milford	147,913	155,557	5.17	2,449	2,574	126	5.10	16.55
Millbury	111,742	123,650	10.66	1,788	1,936	232	8.28	15.66
Millis	178,828	179,600	0.43	3,129	3,263	66	4.28	18.17
Millville	130,037	130,221	0.14	2,153	2,211	190	2.69	16.98
Milton	210,412	265,969	26.40	3,853	3,998	38	3.76	15.03
Monroe	58,626	66,705	13.78	750	891	331	18.80	13.35
Monson	119,023	120,150	0.95	1,902	2,192	195	15.52	18.24
Montague	94,925	95,466	0.57	1,588	1,598	297	0.63	16.74
Monterey	183,833	183,906	0.04	1,640	1,714	277	4.51	9.32
Montgomery	136,019	137,512	1.10	1,925	1,917	239	–0.42	13.94
Mt. Washington	176,816	180,501	2.08	1,061	1,025	330	–3.39	5.68
Nahant	240,195	262,020	9.09	3,283	3,383	60	3.05	12.91
Nantucket	0	0	0.00	0	0	0	0.00	0
Natick	208,619	216,291	3.68	3,152	3,270	65	3.74	15.12
Needham	304,662	345,903	13.54	3,924	4,068	35	3.67	11.76
New Ashford	111,387	120,016	7.75	725	659	335	–9.10	5.49
New Bedford	93,890	96,915	3.22	1,468	1,573	302	7.15	16.23
New Braintree	125,187	125,926	0.59	2,121	2,118	203	–0.14	16.82
New Marlborough	148,828	149,604	0.52	1,723	1,622	292	–5.86	10.84
New Salem	112,758	112,319	–0.39	1,556	1,595	298	2.51	14.2
Newbury	188,880	205,171	8.63	2,644	2,741	107	3.67	13.36
Newburyport	181,187	184,028	1.57	2,966	3,094	79	4.32	16.81
Newton	399,550	440,991	10.37	5,054	5,318	12	5.22	12.06
Norfolk	212,120	233,319	9.99	3,729	3,700	49	–0.78	15.86
N. Adams	74,243	74,611	0.50	1,161	1,167	326	0.52	15.64
N. Andover	247,343	249,767	0.98	3,465	3,724	47	7.47	14.91
N Attleborough	152,821	154,999	1.43	2,217	2,306	168	4.01	14.88
N Brookfield	104,281	104,493	0.20	1,354	1,423	313	5.10	13.62
N Reading	225,433	228,254	1.25	3,476	3,684	50	5.98	16.14
Northampton	142,601	143,983	0.97	2,146	2,314	167	7.83	16.07
Northborough	201,304	205,436	2.05	3,263	3,460	53	6.04	16.84
Northbridge	131,515	133,422	1.45	1,829	1,935	233	5.80	14.5
Northfield	102,219	102,913	0.68	1,644	1,488	309	–9.49	14.46
Norton	141,139	167,408	18.61	2,230	2,387	148	7.04	14.26
Norwell	275,579	307,799	11.69	4,277	4,475	25	4.63	14.54
Norwood	170,555	196,331	15.11	2,335	2,389	146	2.31	12.17
Oak Bluffs	190,784	191,215	0.23	2,133	2,266	178	6.24	11.85
Oakham	133,795	134,534	0.55	1,739	1,756	266	0.98	13.05
Orange	72,786	72,873	0.12	1,488	1,471	312	–1.14	20.18
Orleans	260,038	265,917	2.26	2,195	2,250	181	2.51	8.46
Otis	139,795	140,432	0.46	1,251	1,275	320	1.92	9.08
Oxford	105,754	106,972	1.15	1,684	1,838	249	9.14	17.18
Palmer	102,513	102,454	–0.06	1,808	1,890	242	4.54	18.45
Paxton	148,055	149,080	0.69	2,658	2,937	92	10.50	19.7
Peabody	177,217	178,023	0.45	1,724	1,835	251	6.44	10.31
Pelham	160,143	161,111	0.60	3,113	3,287	64	5.59	20.4
Pembroke	169,436	174,055	2.73	2,474	2,590	125	4.69	14.88
Pepperell	156,064	156,708	0.41	2,371	2,410	143	1.64	15.38
Peru	84,007	85,206	1.43	1,463	1,501	307	2.60	17.62
Petersham	140,895	142,923	1.44	1,677	2,012	220	19.98	14.08
Phillipston	87,779	89,112	1.52	1,302	1,346	318	3.38	15.1
Pittsfield	94,180	94,683	0.53	1,679	1,780	263	6.02	18.8
Plainfield	111,841	114,557	2.43	1,642	1,745	269	6.27	15.23
Plainville	151,070	171,068	13.24	2,355	2,633	119	11.80	15.39
Plymouth	124,710	143,916	15.40	2,306	2,516	131	9.11	17.48
Plympton	172,030	181,716	5.63	2,909	3,038	83	4.43	16.72
Princeton	186,798	201,133	7.67	3,071	3,085	80	0.46	15.34
Provincetown	232,064	291,192	25.48	2,297	2,490	134	8.40	8.55
Quincy	149,001	151,885	1.94	2,271	2,386	149	50.60	15.71
Randolph	130,228	134,538	3.31	2,131	2,270	175	6.52	16.87
Raynham	161,152	164,517	2.09	2,163	2,361	155	9.15	14.35
Reading	223,404	248,714	11.33	3,550	3,678	51	3.61	14.79
Rehoboth	167,925	169,263	0.80	2,247	2,344	160	4.32	13.85
Revere	129,235	129,356	0.09	2,219	2,215	189	–0.18	17.12
Richmond	188,805	190,472	0.88	2,447	2,739	109	11.93	14.38
Rochester	164,129	165,562	0.87	2,125	2,202	192	3.62	13.3
Rockland	132,634	146,817	10.69	2,357	2,456	139	4.20	16.73
Rockport	215,591	215,985	0.18	3,391	3,430	56	1.15	15.88
Rowe	108,165	104,929	–2.99	580	338	337	–41.72	3.22
Rowley	202,868	206,476	1.78	2,905	2,957	90	1.79	14.32
Royalston	95,207	95,641	0.46	1,138	1,152	327	1.23	12.04
Russell	110,230	110,586	0.32	1,684	1,611	294	–4.33	14.57
Rutland	129,909	126,727	–2.45	1,768	1,730	273	–2.15	13.65
Salem	151,565	172,289	13.67	2,299	2,452	140	6.66	14.23
Salisbury*	128,937	0	0.00	1,952	0	0	0.00	0
Sandisfield	150,231	149,886	–0.23	1,436	1,530	305	6.55	10.21
Sandwich	157,650	169,664	7.62	2,302	2,426	142	5.39	14.3
Saugus	169,838	179,353	5.60	2,006	2,079	207	3.64	11.59
Savoy	88,800	90,102	1.47	1,273	1,343	319	5.50	14.9
Scituate	196,119	233,467	19.04	3,112	3,234	68	3.92	13.85
Seekonk	148,755	158,217	6.36	2,117	2,399	145	13.32	15.16
Sharon	212,034	213,974	0.91	4,311	4,425	29	2.64	20.68
Sheffield	143,369	145,754	1.66	2,259	2,323	165	2.83	15.94
Shelburne	123,278	122,859	–0.34	1,817	1,816	256	–0.06	14.78
Sherborn	420,076	477,343	13.63	6,587	6,912	4	4.93	14.48
Shirley	128,723	131,067	1.82	1,913	2,096	204	9.57	15.99
Shrewsbury	168,526	179,090	6.27	2,267	2,389	147	5.38	13.34
Shutesbury	132,181	134,177	1.51	2,814	2,977	86	5.79	22.19
Somerset	0	0	0.00	0	0	0	0.00	0
Somerville	0	0	0.00	0	0	0	0.00	0
S. Hadley	129,722	130,522	0.62	2,107	2,176	197	3.27	16.67
Southampton	143,454	144,870	0.99	2,110	2,164	200	2.56	14.94
Southborough	272,604	281,311	3.19	4,045	4,023	36	–0.54	14.3
Southbridge	94,450	94,762	0.33	1,490	1,495	308	0.34	15.78
Southwick	123,915	126,659	2.21	1,927	1,971	225	2.28	15.56
Spencer	108,443	109,765	1.22	1,303	1,352	316	3.76	12.32
Springfield	77,597	81,895	5.54	1,602	1,703	279	6.30	20.8
Sterling	154,623	156,253	1.05	2,466	2,519	130	2.15	16.12
Stockbridge	207,051	208,340	0.62	2,004	2,006	221	0.10	9.63
Stoneham	179,084	218,926	22.25	3,035	3,177	75	4.68	14.51
Stoughton	153,303	155,784	1.62	2,523	2,630	120	4.24	16.88
Stow	226,421	246,690	8.95	4,234	4,472	26	5.62	18.13
Sturbridge	128,758	129,577	0.64	2,312	2,380	151	2.94	18.37
Sudbury	334,879	359,388	7.32	5,459	5,987	6	9.67	16.66
Sunderland	142,302	143,632	0.93	2,277	2,287	172	0.44	15.92
Sutton	137,067	164,588	20.08	2,370	2,484	135	4.81	15.09
Swampscott	268,962	280,630	4.34	4,161	4,280	31	2.86	15.25
Swansea	131,515	132,158	0.49	1,668	1,718	276	3.00	13
Taunton	117,764	120,906	2.67	1,517	1,613	293	6.33	13.34
Templeton	97,035	97,196	0.17	1,068	1,149	328	7.58	11.82
Tewksbury	164,311	165,279	0.59	2,401	2,479	136	3.25	15
Tisbury	0	0	0.00	0	0	0	0.00	0
Tolland	141,953	133,664	–5.84	667	666	334	–0.15	4.98
Topsfield	281,911	300,294	6.52	4,302	4,480	24	4.14	14.92
Townsend	130,180	139,264	6.98	2,272	2,404	144	5.81	17.26
Truro	253,052	287,617	13.66	1,923	2,128	202	10.66	7.4
Tyngsborough	153,089	158,042	3.24	3,024	3,129	77	3.47	19.8
Tyringham	222,259	222,576	0.14	1,978	1,928	234	–2.53	8.66
Upton	199,344	201,275	0.97	2,444	2,498	133	2.21	12.41
Uxbridge	144,257	146,467	1.53	2,249	2,342	162	4.14	15.99
Wakefield	196,933	207,947	5.59	2,759	2,838	101	2.86	13.65
Wales	94,322	94,624	0.32	1,562	1,746	268	11.78	18.45
Walpole	205,180	207,753	1.25	3,041	3,100	78	1.94	14.92
Waltham	0	0	0.00	0	0	0	0.00	0
Ware	101,605	103,444	1.81	1,978	1,926	236	–2.63	18.62
Wareham	95,250	113,551	19.21	1,414	1,483	311	4.88	13.06
Warren	91,519	92,462	1.03	1,474	1,637	289	11.06	17.7
Warwick	85,162	84,717	–0.52	1,560	1,727	274	10.71	20.39
Washington	120,630	120,388	–0.20	1,642	1,576	301	–4.02	13.09
Watertown	0	0	0.00	0	0	0	0.00	0
Wayland	318,516	393,911	23.67	5,800	5,917	7	2.02	15.02
Webster	113,430	123,116	8.54	1,572	1,738	271	10.56	14.12
Wellesley	493,530	535,170	8.44	4,866	5,084	16	4.48	9.5
Wellfleet	190,874	194,773	2.04	1,745	1,837	250	5.27	9.43
Wendell	80,853	88,514	9.48	1,695	1,784	260	5.25	20.15
Wenham	296,584	350,605	18.21	4,464	4,719	19	5.71	13.46
W. Boylston	149,476	150,297	0.55	2,659	2,705	111	1.73	18
W. Bridgewater	147,200	169,861	15.39	2,271	2,297	169	1,14	13.52
W. Brookfield	117,824	118,450	0.53	1,600	1,638	288	2,38	13.83
W. Newbury	268,952	294,703	9.57	3,623	3,755	44	3.64	12.74
W Springfield	120,225	120,569	0.29	2,121	2,197	193	3,58	18.22
W Stockbridge	178,909	189,463	5.90	2,669	2,740	108	2.66	14.46
W Tisbury	332,985	334,792	0.54	2,697	2,779	105	3.04	8.3
Westborough	224,504	245,285	9.26	3,507	3,709	48	5.76	15.12
Westfield	122,610	123,925	1.07	1,972	2,032	216	3.04	16.4
Westford	236,051	239,447	1.44	3,635	3,946	39	8.56	16.48
Westhampton	142,313	142,890	0.41	2,448	2,643	116	7.97	18.5
Westminster	117,170	118,507	1.14	1,857	2,083	206	12,17	17.58
Weston	660,958	673,670	1.92	7,753	8,064	1	4.01	11.97
Westport	173,527	179,568	3.48	1,756	1,783	261	1.54	9.93
Westwood	279,495	351,341	25.71	4,123	4,448	27	7.88	12.66
Weymouth	148,808	149,548	0.50	2,271	2,343	161	3.17	15.67
Whately	147,564	147,746	0.12	2,771	2,820	102	1.77	19.09
Whitman	125,300	126,507	0.96	2,536	2,568	127	1.26	20.3
Wilbraham	161,633	162,502	0.54	2,806	2,974	87	5.99	18.3
Williamsburg	145,128	145,479	0.24	2,093	2,163	201	3.34	14.87
Williamstown	189,437	196,056	3.49	2,826	2,860	99	1.20	14.59
Wilmington	162,932	169,308	3.91	2,213	2,431	141	9.85	14.36
Winchendon	91,631	98,294	7.27	1,482	1,606	295	8.37	16.34
Winchester	339,917	374,450	10.16	4,976	5,175	13	4.00	13.82
Windsor*	105,806	0	0.00	1,481	0	0	0.00	0
Winthrop	147,086	185,136	25.87	2,128	2,283	173	7.28	12.33
Woburn	163,907	165,828	1.17	1,823	1,874	244	2.80	11.3
Worcester	104,893	109,545	4.43	1,938	2,023	218	4.39	18.47
Worthington	132,404	132,987	0.44	1,753	1,823	254	3.99	13.71
Wrentham	193,475	214,447	10.84	2,970	3,178	74	7.00	14.82
Yarmouth	125,349	125,925	0.46	1,582	1,645	287	3.98	13.06
State average	**173,576**	**185,086**	**6.63**	**2557**	**2680**		**4.81**	**14.48**

*Salisbury and Windsor are not included in this analysis because the towns have not set FY2000 tax rates.

Table 1

FY2000 Single Family Tax Bills and Property Values
➡ *continued from page three*

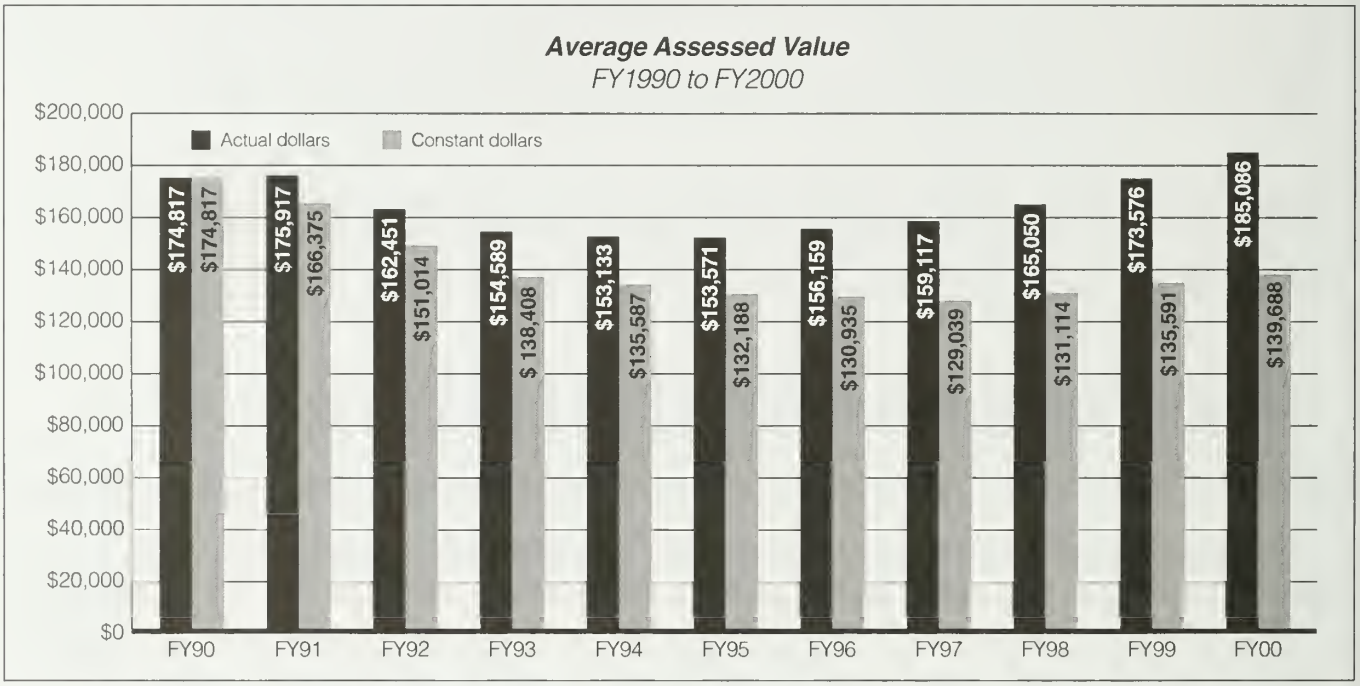


Figure 2

nities with high average tax bills have higher assessed values. The communities with the highest average tax bills in FY2000 are Weston ($8,064), Lincoln ($7,475), Carlisle ($7,023), Sherborn ($6,912), and Dover ($6,209). In terms of average assessed value, these communities rank second, third, eleventh, seventh, and fourth respectively. When ranked according to per capita income, Weston (1), Sherborn (2), Dover (3), Carlisle (4), and Lincoln (5) lead the state's communities.

The correlation between average tax bills and average assessed value is not as strong at the opposite end of the rankings. The towns with the lowest average tax bills for FY2000 are Erving ($327), Rowe ($338), Florida ($594), New Ashford ($659), Hancock ($666), and Tolland ($666). When sorted by average assessed value, these communities rank 323rd, 294th, 338th, 261st, and 249th respectively. The relationship between per capita income and lower tax bills is also not as strong. Erving (315), Florida (344), and New Ashford (314) all rank near the bottom of per capita income. However, the town of Hancock (153) falls somewhat in the middle, and Tolland (67) ranks in the top portion of per capita income. These communities are all small towns in western Massachusetts with small populations. Both Erving and Rowe have power plants accounting for most of their total value. New Ashford has a high commercial value because of its local ski-resort. Hancock is a residential community which historically has had very low tax rates. Tolland, about 90 percent residential, provides few services since most of the town's roads and facilities are privately maintained.

There were 67 communities with increases in average assessed value of more than 10 percent. The top five increases were Chilmark (41.2 percent), Milton (26.4 percent), Winthrop (25.9 percent), Westwood (25.7 percent), and Provincetown (25.5 percent). The average assessed value declined in 14 communities. The decline was less than one percent in most communities, but Tolland did experience a decline of 5.8 percent.

In the last fiscal year, 302 communities had increases in their average tax bills while the average tax bill decreased in 36 communities. The decreases ranged from as low as 0.06 percent in Shelburne and 0.15 percent in Tolland, to as high as 60.74 percent in Erving and 41.72 percent in Rowe. Erving and Rowe each have power plants whose values increased significantly with deregulation. The largest increases in average bills occurred in Monroe (18.8 percent), Canton (16.4 percent), Monson (15.3 percent), Deerfield (14.7 percent), and Boylston (14.1 percent).

Tax bill, assessed value and tax rate data come from the FY2000 tax rate recapitulation forms submitted by local assessors and approved by the Director of Accounts. Average tax bills are calculated by multiplying the average assessed value for a single family home by the residential tax rate and dividing by 1000. The statewide average was calculated by multiplying the total assessed values for single family homes by the tax rate to determine the single

continued on page seven ➡

DLS UPDATE

New Procedures for Abating Motor Vehicle and Boat Excise

The Division of Local Services' Property Tax Bureau (PTB) has developed streamlined procedures for requesting and obtaining authority from the Commissioner of Revenue to abate local motor vehicle and boat excises. Under M.G.L. Chapter 58, Section 8, the Commissioner may authorize assessors or other local officials to abate all or part of amounts assessed, or fees imposed, in certain cases where the assessors no longer have jurisdiction to abate. Assessors, collectors, selectmen and mayors recently received an Informational Guideline Release (IGR 00-207) detailing the Commissioner's policies for approving requests for abatement authority for local excises. Standard application forms to be used by assessors when requesting abatement authority were included. These forms eliminate the need for lengthy explanations through the use of check-off boxes. The new forms must be used for all applications received by the PTB on or after *August 1, 2000.*

Local officials with questions about the revised application procedures or excise issues generally may call the PTB at (617) 626-2309.

School Audit Reports on Website

First Findings-Summary Report of the First 19 Audits is available on the DLS website along with copies of the reports of all school district audits completed to date. The audits monitor how selected districts have progressed under the Education Reform Act of 1993. The Bureau of Education Audit has been performing audits under the direction of the Governor's Education Management Accountability Board (EMAB). The reports include but are not limited to the following areas: school finances, staffing, test scores, time and learning standards and school improvement and technology plans. The last four audits have been performed jointly with staff of the Department of Education (DOE). DOE staff uses its own audit protocol to review school improvement planning, student learning time, personnel evaluations, professional development, curriculum alignment, and assessment of student progress. Each audit includes an Executive Summary of the more significant observations and findings. When possible, the audit team has identified and presented best practices that may be adapted by other school districts.

After each new school system audit is completed and the EMAB votes to accept the report, a copy of the report is posted on our website. Since our last update, audit reports on Auburn, Cambridge, East Longmeadow, Everett, Gardner, Milton, New Bedford, North Attleborough, North Reading and Woburn have been added. The other districts whose reports are available are Braintree, Brockton, Lexington, Lowell, Malden, Triton Regional and Worcester. To view the information contained in the reports you must have the Adobe Acrobat Reader software that can be downloaded free of charge by clicking the icon for Adobe Acrobat. The DLS web address is www.state.ma.us/dls.

Got Pictures?

The Division of Local Services would like to establish a rotating file of pictures of Massachusetts cities and towns. The pictures, which will appear on our Home Page, should be points of interest such as historical buildings, geographical sites, or landmarks. We can use 35-millimeter snapshots or digital photographs on disks.

Please send your pictures to the Division of Local Services, P.O. Box 9490, Boston, MA 02205-9490, attention Evelyn Hyde. Evelyn's e-mail address is Hyde@dor.state.ma.us. ■

Appropriations

➡ *continued from page one*

ing, however. The Department of Revenue cannot set the tax rate until the related override or exclusion question, or the deadline for holding an election, has passed, whichever occurs first.

The new deadlines are effective as of May 20, 2000. For details about how they apply to contingent appropriations voted before that date, please refer to Division of Local Services Bulletin 2000-05B, *Contingent Appropriations*, issued in May. ■

1. Ch. 70 of the Acts of 2000.
2. M.G.L. Ch. 59, Sec. 21C(m).
3. M.G.L. Ch. 59, Sec. 21C(k).
4. M.G.L. Ch. 59, Sec. 21C(i ½).
5. M.G.L. Ch. 59, Sec. 21C(g).

FY2000 Single Family Tax Bills

➡ *continued from page six*

family tax levy in each community. The total state levy for single family homes was then divided by the total assessed values to calculate the statewide average tax rate. ■

written by Wilson Acevedo
data provided by Debbie Ferlito

Municipal Fiscal Calendar

August 1
Taxpayer: *Deadline for paying first quarterly tax payment M.G.L. Ch. 59, Sec. 57C; deadline for payment without interest*

Taxpayer: *Annual boat excise return due.*

Accountant: *Notification of total receipts of preceding year.*

August 15
Assessors: *Deadline to vote to seek approval for authorization to issue preliminary tax bills.*

Treasurer: *Fourth quarter reconciliation of cash for the previous fiscal year (due 45 days after end of quarter).*

August 31
Taxpayer: *Last filing day for classified forest land, M.G.L. Ch. 61.*

Assessors: *Begin work on tax rate recapitulation sheet (to set tax rate for semi-annual bills).*

September 15
Treasurer/Collector: *Compensating balance report.*

Accountant/Superintendent/School Committee: *Jointly submit end of year report to the DOE.*

September 30
State Treasurer: *Notification of quarterly local aid payments on or before September 30.*

Opportunities for Training

"What's New in Municipal Law" will be offered at the Ramada Sovereign Hotel and Conference Center, 1080 Riverdale Street (at I-91) in West Springfield on Friday, September 22, 2000, and at the Sheraton Framingham Hotel, 1657 Worcester Road (Exit 12 from the Mass Pike), Framingham on Friday, September 29, 2000 from 9:00 a.m. to 3:00 p.m.

Assessment Administration: Law, Procedures, Valuation will be offered in Worcester County on eight evenings from 7:00 p.m. to 10:00 p.m. beginning in October. The exact location and dates will be announced in September.

For further information, contact Barbara LaVertue, Coordinator of Training, at (617) 626-2340.

Employment Opportunity

Property Tax Appraiser. The Bureau of Local Assessment seeks an appraiser to provide technical assistance to municipalities in property tax administration, mass appraisal, data quality, tax base growth, and local finance. Duties include triennial recertification of property values, valuing state-owned land, equalized valuations, etc. Requirements include three years of full-time experience in appraisal or assessment of real property, or a bachelor's degree with two years of the required experience, and a valid driver's license. Applicants should have strong analytical and writing skills as well as proficiency in the use of computer spreadsheet applications. Professional appraisal designation is desirable. Travel is required and assignments will generally be in North Shore communities. The salary range is $36,109 to $49,037. Send cover letters and resumes to Marilyn Browne, Chief, Bureau of Local Assessment PO Box 9490, Boston, MA 02205-9490. ■

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials.

Jean McCarthy, Editor

To obtain information or publications, contact the Division of Local Services via:

- website: www.state.ma.us/dls
- telephone: (617) 626-2300
- mail: PO Box 9490, Boston, MA 02205-9490

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GOVERNMENT DOCUMENTS COLLECTION

Frederick A. Laskey, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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Exchange of Ideas

written by Jean McCarthy

Betty Ressel, the manager of the Texas School Performance Review (TSPR), recently visited the Division of Local Services (DLS) to exchange ideas and compare methods of performing school district audits with Dieter Wahl, Chief of the Education Audit Bureau, and his staff. Ms. Ressel brought copies of the audit reports completed under her leadership. The "Texas-sized" reports average 500 pages. She has a small staff and relies on contractors to complete the school district audits under her leadership. Her office has been nationally recognized for the quality of those performance reviews. Although the state of Texas has over a thousand independent school districts, TSPR has been auditing only six districts per year, concentrating on quality rather than quantity. Plans include expanding to 10 audits next year with an eventual goal of 20 per year. Since the Texas audits have begun, TSPR has reviewed approximately 30 school districts. The TSPR team returns to each reviewed district 12–18 months later to prepare and release a progress report on the district's implementation of recommendations. Massachusetts' Bureau of Education Audit, under the direction of the Governor's Education Management Accountability Board, has been averaging 10 audits per year with a total staff of 12. They have completed 19 audits since 1997.

TSPR was the nation's first state-level program designed to improve the management and finances of individual public school districts. Instituted in 1991 the TSPR, like the Division of Local Service's Education Audit Bureau, is an independent auditing agency totally separate from the Department of Education, entrusted with the responsibility for auditing local school systems. TSPR works under the auspices of the Texas Comptroller of Public Accounts, an agency that blends the duties of the Massachusetts Department of Revenue and the State Comptroller's office. Unlike TSPR, DLS Education Audits are now performed in conjunction with the Department of Education, although each department looks at different aspects of a school district and writes its own sections of the final report.

The goal is improving student achievement.

Like the Massachusetts teams, TSPR conducts an intense on-site review of each audited district lasting two to three weeks. Texas, however, usually has a staff of 20, while DLS normally has 3 auditors per district. With a large budget, the TSPR is able to hire consultants with specific expertise. Massachusetts relies on in-house staff. Both seek input from teachers and other staff through mailed surveys, and conduct interviews with key school district personnel. TSPR also interviews parents and students. Common problems found in both states are conflicts between school boards and superintendents, management issues versus policy issues, and curriculum development.

Texas has instituted mandatory testing with high school graduation linked to successful completion of the 10th grade Texas Assessment of Academic Skills (TAAS). In audited districts, scores on the TAAS have increased more than the statewide average gains. An interesting component of the Texas protocol is an emphasis on cost saving suggestions for local districts. The TSPR has a stated goal of delivering more of every education dollar into classrooms, and audited districts have saved more than $94 million.

The most important goal for both agencies is improvement in student achievement. Both states try to accent the positive by identifying exemplary programs and highlighting "best practices" from past reviews to share with other school districts. The DLS Education Audit Bureau has published its findings in a document known as *First Findings — Summary Report of the First 19 Audits*, which is available on the DLS website along with copies of the reports of all school district audits completed to date. The address is www.state.ma.us/dls. The TSPR audits are available on the Texas Comptroller's website at www.window.state.tx.us. ■

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LEGAL

in Our Opinion

School Impact Fee Invalidated

In 1995 the Franklin Town Council enacted a bylaw which imposed a school impact fee on new development. The town has grown considerably in the past several years with the resulting need to provide for additional students in the school system. The new bylaw provided that occupancy permits would no longer be issued for any new or expanded residential structure unless the impact fee was paid. All funds collected were to be set aside exclusively for school construction projects. As soon as the bylaw went into effect, a group of real estate developers filed suit in Superior Court to invalidate the fees as an unlawful tax. The court ruled in favor of the developers and the town appealed. In an important decision this summer, the Appeals Court agreed with the Superior Court, holding that the school impact fee was illegal. The case is *Greater Franklin Developers Association, Inc. v. Town of Franklin.*[1]

Impact fees have been discussed for many years. Proponents argue that impact fees are merely an assessment on developers to enable a community to meet some of the direct costs of development such as roads, schools and other capital improvements. Impact fees differ from general property taxes that are based on the value of the property and the applicable classified tax rate. Impact fees are also unike betterments or special assessments. Betterments are assessed on parcels within a specific area to reimburse the community for expenses incurred in making public improvements (e.g., water or sewer service) which specifically benefit those parcels. By definition, a betterment is a special tax which is imposed when a parcel's value is increased due to the construction of an improvement. Impact fees, however, are imposed before any particular public improvement has been constructed. At issue in the *Franklin* case was whether the school impact fee was a valid municipal fee or an impermissible tax.

The Appeals Court in *Franklin* recognized that cities and towns in Massachusetts do not have the inherent power to tax. Under the State Constitution, cities and towns can tax only to the extent permitted by the Legislature.[2] There is an additional state constitutional requirement that all taxes be proportional, whether they are general or special taxes. The Legislature had not authorized the Town of Franklin to tax. The Appeals Court was asked to determine whether the action taken by the Franklin Town Council was a reasonable fee, permissible under the Commonwealth's home rule amendment.

In the landmark case of *Emerson College v. Boston*, the Supreme Judicial Court invalidated a City of Boston fire protection services fee as an unlawful tax.[3] In *Emerson*, the court used a three-part test to determine whether the charge was a fee. First, the charge must be imposed in exchange for a particularized governmental service that benefits the party paying the fee in a manner not shared by other members of society. Second, the charge must be voluntary in nature in that the party paying the fee has the choice of not using the governmental service and thereby avoiding the fee. Third, the charges must be used to offset the cost of providing the governmental service rather than imposed to raise revenue. The Appeals Court used the three-part test in *Emerson* to determine whether the Franklin school impact charge was a fee rather than a tax.

The Appeals Court first observed that the benefit of expanded school facilities was not conferred exclusively on those paying the fee. In the Appeals Court's view, the entire Franklin community benefited from new schools. In the absence of a particularized benefit, the Appeals Court held that the Town of Franklin did not satisfy the first *Emerson* test.

In examining the nature of the charge, the Appeals Court in *Franklin* recognized that payment of the impact fee was a matter of choice and was not compulsory. Owners in the Town of Franklin were not forced to develop their land. Prospective buyers could purchase property elsewhere and avoid the charge. The Appeals Court stated, however, that the lower court judge had correctly determined that this factor is not conclusive.

The Appeals Court then inquired whether the charge was intended to offset the cost of the service or was merely a revenue raising device. In the court's view, the Town of Franklin had an obligation to provide free education out of the general tax levy. In the case at hand, the Town of Franklin had improperly categorized education as a special service in much the same way as the City of Boston had categorized fire protection in *Emerson*. According to the court, this situation was also similar to that presented in the New Jersey court decision of *Daniels v. Point Pleasant.*[4] In *Daniels*, the New Jersey court had invalidated an ordinance that increased the fees for building permits to defray increased school costs due to new development. In the Appeals Court's view, the intent of the Franklin bylaw was to pass school costs associated with development solely onto the new people buying homes in the community. For this reason, the Franklin bylaw did not meet the third *Emerson* test.

Under the facts presented, the Appeals Court concluded that the Franklin school impact fee was an impermissi-

continued on page seven ➡

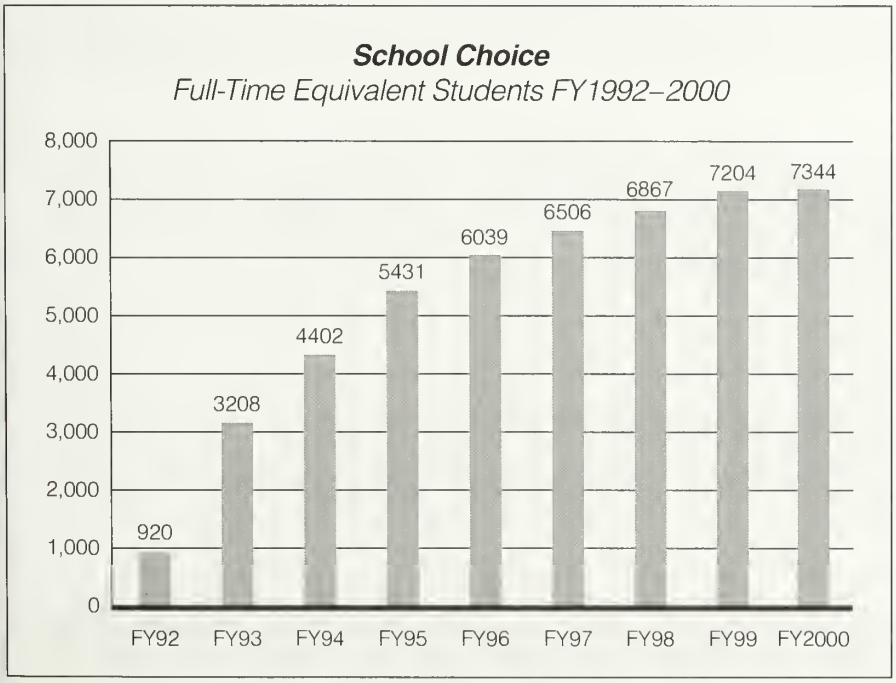
Focus on Municipal Finance

School Choice

The June issue of *City and Town* included an article on the Charter School Program, which was established as part of the Education Reform Act of 1993. This month we focus on another education alternative, the School Choice Program. School Choice allows parents to send their children to participating schools in communities other than the city or town in which they reside. All sending districts are required to pay tuition to the receiving districts. Participation is voluntary and districts may elect not to take part in the program. For FY2000, 199 local school systems and 63 regional school districts are sending and receiving students in the School Choice Program.

Figure 1 shows the increases in full-time equivalent (FTE) students, since the inception of the program. *Figure 2* shows tuition assessments from FY1992 through FY2000. When the School Choice program began in FY1992, there were 920 students with a total tuition assessment of $4,852,296. In FY2000, the total number of FTE students has increased to 7,344, and total assessments have increased to $36,373,827.

Figure 1



FTE Analysis

According to Department of Education (DOE) data, 123 local districts sent students to other districts, but did not receive any students. Only 28 local districts sent more than 10 students, with three of those districts sending more than 100: Brockton (164.1), Lawrence (108.5) and Worcester (134.1). Four local districts received students but did not send any FTEs: Avon (199.5), Longmeadow (98.7), Wales (7.9) and Westport (9.3). FTE numbers represent full-time equivalent students rather than enrollment. They include both half-day and full-time students.

Many of the local districts both sent and received students. Of those local districts, 43 received more students than they sent, and 30 sent more than they received. Fourteen communities had net gains of more than 50 FTEs, with four gaining more than 100 students. Holliston (188.6) had the highest net gain followed by Newburyport (159.5), Manchester (114.3) and Granby (100). Of the eight districts with net losses of more than 50 students, Springfield showed the biggest net loss of students (–259.3) followed by Leominster (–238.9), Pittsfield (–132.4) and Douglas (–90.4).

In FY2000, three regional school districts (RSD) received students without sending any: Minuteman (240.2), Pathfinder (34.8) and Upisland (4.0). Twenty RSDs sent students without receiving any, but only six sent more than 10 students. Athol Royalston (51.2), Narragansett (50.9) and Wachusett (62.6) sent the highest number of students. Forty RSDs both sent and received students with 23 RSDs receiving more students than they sent. Four RSDs had net gains of over 100 students: Acton-Boxborough (116.4), Hamilton-Wenham (203.8), Quabbin (140.6) and Whittier (295). Of the 17 RSDs that sent more than they received, only one had a net loss of more than 100 students, Greater Lawrence (301.0).

Table 1 shows the number of FTEs received and FTEs sent, the amount of tuition received and tuition sent, and the budgeted FY2000 net school spending for all local and regional school districts. Net school spending refers to school committee expenditures and specific indirect costs appearing in the municipal budget such as teacher's health insurance and school liability insurance. It excludes long-term debt service, student transportation, school lunches and certain other specified school expenditures.

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FY2000 School Choice Program

School district	Rcvg. FTE	Sending FTE	Rcvg. tuition	Sending tuition	Budgeted net school spending
Abington	0.0	0.0	0	0	13,875
Acton	3.0	8.3	14	38	14,085
Acushnet	0.0	0.0	0	0	7,977
Adams	0.0	0.0	0	0	0
Agawam	28.4	17.1	138	84	27,454
Alford	0.0	0.0	0	0	0
Amesbury	120.4	153.9	574	715	18,684
Amherst	0.0	2.8	0	11	14,260
Andover	0.0	0.1	0	1	39,644
Aquinnah	0.0	0.0	0	0	0
Arlington	0.0	2.0	0	14	32,816
Ashburnham	0.0	0.0	0	0	0
Ashby	0.0	0.0	0	0	0
Ashfield	0.0	0.0	0	0	233
Ashland	54.7	20.5	306	90	15,273
Athol	0.0	0.0	0	0	0
Attleboro	0.0	1.1	0	3	39,227
Auburn	0.0	0.4	0	2	15,058
Avon	199.5	0.0	930	0	5,040
Ayer	188.3	89.1	984	405	9,257
Barnstable	30.4	37.7	129	204	42,402
Barre	0.0	0.0	0	0	10
Becket	0.0	4.2	0	28	138
Bedford	0.0	2.0	0	11	18,645
Belchertown	0.0	20.2	0	83	13,604
Bellingham	0.0	56.6	0	259	15,931
Belmont	0.0	0.7	0	3	24,456
Berkley	0.0	12.8	0	77	6,021
Berlin	20.0	4.0	84	21	1,590
Bernardston	0.0	0.0	0	0	1
Beverly	48.0	95.6	214	531	32,922
Billerica	0.0	2.4	0	10	38,915
Blackstone	0.0	0.0	0	0	713
Blandford	0.0	0.0	0	0	0
Bolton	0.0	0.0	0	0	0
Boston	0.0	29.2	0	162	556,706
Bourne	0.0	4.0	0	19	14,718
Boxborough	0.0	3.7	0	14	3,452
Boxford	0.0	0.0	0	0	5,665
Boylston	0.0	0.0	0	0	2,329
Braintree	0.0	1.0	0	3	32,772
Brewster	0.0	6.8	0	28	4,882
Bridgewater	0.0	0.0	0	0	238
Brimfield	0.0	2.0	0	9	2,285
Brockton	0.0	164.1	0	774	115,915
Brookfield	14.1	4.0	67	14	2,241
Brookline	0.0	0.0	0	0	54,848
Buckland	0.0	0.0	0	0	12
Burlington	0.0	1.4	0	5	27,433
Cambridge	0.0	5.0	0	31	98,117
Canton	0.0	0.0	0	0	20,655
Carlisle	0.0	1.4	0	5	6,225
Carver	0.0	0.0	0	0	14,214
Charlemont	0.0	0.0	0	0	118
Charlton	0.0	0.0	0	0	0
Chatham	88.6	16.5	673	86	6,127
Chelmsford	0.0	21.0	0	84	36,602
Chelsea	0.0	1.4	0	6	42,650
Cheshire	0.0	0.0	0	0	257
Chester	0.0	0.0	0	0	0

School district	Rcvg. FTE	Sending FTE	Rcvg. tuition	Sending tuition	Budgeted net school spending
Chesterfield	0.0	0.0	0	0	158
Chicopee	0.0	38.6	0	142	53,222
Chilmark	0.0	0.0	0	0	0
Clarksburg	0.0	5.4	0	33	1,741
Clinton	75.3	89.4	377	468	13,812
Cohasset	0.0	0.0	0	0	9,543
Colrain	0.0	0.0	0	0	0
Concord	0.0	1.5	0	8	16,765
Conway	0.0	0.5	0	2	1,204
Cummington	0.0	0.0	0	0	110
Dalton	0.0	0.0	0	0	0
Danvers	1.0	11.2	4	67	25,568
Dartmouth	0.0	1.0	0	4	23,128
Dedham	0.0	2.0	0	14	23,887
Deerfield	5.7	2.2	19	9	2,626
Dennis	0.0	0.0	0	0	58
Dighton	0.0	0.0	0	0	3
Douglas	12.6	103.0	50	459	7,399
Dover	0.0	0.0	0	0	4,404
Dracut	38.3	11.5	163	49	24,204
Dudley	0.0	0.0	0	0	0
Dunstable	0.0	0.0	0	0	0
Duxbury	0.0	0.0	0	0	19,358
E. Bridgewater	0.0	1.0	0	5	14,840
E. Brookfield	0.0	0.0	0	0	0
E. Longmeadow	39.3	7.5	181	34	16,935
Eastham	0.0	4.0	0	19	2,725
Easthampton	14.9	61.6	67	318	13,490
Easton	0.0	1.6	0	5	20,611
Edgartown	0.0	0.0	0	0	3,976
Egremont	0.0	0.0	0	0	0
Erving	0.0	2.0	0	9	2,040
Essex	5.5	81.8	24	416	3,472
Everett	0.0	9.4	0	46	34,506
Fairhaven	0.0	0.0	0	0	14,151
Fall River	0.0	15.8	0	87	89,088
Falmouth	0.0	1.0	0	4	31,323
Fitchburg	136.6	187.6	555	782	39,394
Florida	0.0	1.0	0	5	1,023
Foxborough	0.0	0.6	0	2	20,196
Framingham	0.0	55.6	0	282	66,581
Franklin	0.0	40.8	0	205	36,704
Freetown	0.0	0.0	0	0	3,811
Gardner	98.3	47.2	353	204	18,159
Georgetown	43.7	31.4	257	124	8,262
Gill	0.0	0.0	0	0	10
Gloucester	66.7	129.1	272	679	27,701
Goshen	0.0	0.0	0	0	195
Gosnold	0.0	0.0	0	0	113
Grafton	0.0	17.4	0	83	12,746
Granby	104.0	4.0	420	76	5,731
Granville	0.0	1.0	0	6	1,819
Grt. Barrington	0.0	0.0	0	0	0
Greenfield	28.4	41.9	123	242	16,977
Groton	0.0	0.0	0	0	0
Groveland	0.0	0.0	0	0	0
Hadley	0.0	18.6	0	93	4,275
Halifax	0.0	0.0	0	0	4,034
Hamilton	0.0	0.0	0	0	0
Hampden	0.0	0.0	0	0	0

School district	Rcvg. FTE	Sending FTE	Rcvg. tuition	Sending tuition	Budgeted net school spending
Hancock	6.0	6.0	26	30	693
Hanover	0.0	0.0	0	0	16,291
Hansen	0.0	0.0	0	0	703
Hardwick	0.0	0.0	0	0	3
Harvard	101.0	11.2	464	48	7,604
Harwich	39.7	59.3	218	436	11,715
Hatfield	0.0	8.6	0	43	3,403
Haverhill	88.2	99.3	378	515	53,708
Hawley	0.0	0.0	0	0	20
Heath	0.0	0.0	0	0	6
Hingham	0.0	0.0	0	0	23,143
Hinsdale	0.0	0.0	0	0	72
Holbrook	0.0	6.7	0	27	9,465
Holden	0.0	0.0	0	0	357
Holland	0.0	1.0	0	12	1,646
Holliston	198.9	10.3	944	54	19,180
Holyoke	0.0	24.8	0	122	63,091
Hopedale	99.8	101.4	468	445	6,887
Hopkington	19.5	38.0	81	173	16,424
Hubbardston	0.0	0.0	0	0	8
Hudson	92.4	50.5	424	330	17,663
Hull	0.0	0.0	0	0	11,277
Huntington	0.0	0.0	0	0	0
Ipswich	55.8	32.9	238	178	12,104
Kingston	0.0	1.0	0	4	6,329
Lakeville	0.0	0.5	0	2	3,709
Lancaster	0.0	0.0	0	0	0
Lanesborough	10.8	7.0	42	28	1,969
Lawrence	0.0	108.5	0	495	95,088
Lee	84.8	70.8	492	431	6,361
Leicester	0.0	0.0	0	0	12,056
Lenox	110.6	22.3	618	134	6,797
Leominster	26.5	265.4	117	1,244	41,081
Leverett	0.0	0.8	0	3	1,113
Lexington	0.0	1.2	0	5	49,974
Leyden	0.0	0.0	0	0	0
Lincoln	0.0	0.0	0	0	6,091
Littleton	56.0	28.6	251	128	8,996
Longmeadow	98.7	0.0	523	0	21,481
Lowell	0.0	68.4	0	286	118,824
Ludlow	35.0	28.9	148	131	19,201
Lunenburg	104.0	38.8	385	164	10,393
Lynn	0.0	55.6	0	311	102,583
Lynnfield	0.0	1.0	0	4	13,065
Malden	0.0	2.0	0	54	43,830
Manchester	121.8	7.5	747	36	6,387
Mansfield	0.0	0.9	0	8	25,370
Marblehead	37.2	3.0	212	16	20,632
Marion	0.0	0.0	0	0	3,526
Marlborough	0.0	65.4	0	318	34,991
Marshfield	0.0	0.0	0	0	26,456
Mashpee	0.0	5.9	0	25	12,989
Mattapoisett	0.0	0.0	0	0	4,000
Maynard	36.5	50.7	171	269	10,584
Medfield	0.0	3.5	0	13	15,265
Medford	0.0	68.8	0	386	43,388
Medway	38.3	43.8	178	194	16,379
Melrose	0.0	0.0	0	0	24,004
Mendon	0.0	0.0	0	0	0
Merrimac	0.0	0.0	0	0	0

School district	Rcvg. FTE	Sending FTE	Rcvg. tuition	Sending tuition	Budgeted net school spending
Methuen	0.0	11.4	0	44	40,585
Middleborough	16.1	7.0	69	31	21,693
Middlefield	0.0	0.0	0	0	0
Middleton	0.0	0.0	0	0	3,982
Milford	125.3	144.9	577	651	28,042
Millbury	0.0	7.4	0	26	11,174
Millis	54.4	46.0	266	193	7,852
Millville	0.0	0.0	0	0	39
Milton	0.0	0.0	0	0	24,549
Monroe	0.0	5.0	0	30	121
Monson	0.0	2.0	0	6	8,217
Montague	0.0	0.0	0	0	0
Monterey	0.0	0.0	0	0	0
Montgomery	0.0	0.0	0	0	0
Mt. Washington	0.0	0.0	0	0	60
Nahant	0.0	0.0	0	0	2,776
Nantucket	0.0	0.0	0	0	11,929
Natick	0.0	7.7	0	35	31,495
Needham	0.0	0.5	0	2	34,135
New Ashford	0.0	2.3	0	9	170
New Bedford	0.0	2.4	0	21	99,379
New Braintree	0.0	0.0	0	0	0
New Marlborough	0.0	0.0	0	0	0
New Salem	0.0	0.0	0	0	14
Newbury	0.0	0.0	0	0	0
Newburyport	231.4	71.9	1,349	296	17,208
Newton	0.0	1.1	0	5	100,728
Norfolk	0.0	1.6	0	6	6,800
N. Adams	0.0	74.7	0	364	14,138
N. Andover	0.0	2.9	0	12	25,161
N. Attleborough	0.0	1.0	0	3	27,250
N. Brookfield	22.6	28.6	104	115	5,558
N. Reading	0.0	0.0	0	0	13,954
Northampton	64.8	14.8	334	71	20,900
Northborough	0.0	6.1	0	25	12,557
Northbridge	93.1	98.7	360	439	14,200
Northfield	0.0	0.0	0	0	1
Norton	0.0	3.4	0	15	16,737
Norwell	0.0	0.0	0	0	13,703
Norwood	0.0	1.5	0	6	26,023
Oak Bluffs	0.0	1.0	0	5	3,841
Oakham	0.0	0.0	0	0	88
Orange	0.0	8.0	0	39	5,665
Orleans	0.0	1.6	0	8	2,551
Otis	0.0	0.0	0	0	0
Oxford	0.0	12.9	0	47	12,849
Palmer	0.0	12.0	0	52	12,764
Paxton	0.0	0.0	0	0	0
Peabody	0.0	29.2	0	152	41,414
Pelham	0.0	0.0	0	0	979
Pembroke	0.0	0.0	0	0	10,871
Pepperell	0.0	0.0	0	0	0
Peru	0.0	0.0	0	0	40
Petersham	35.9	16.0	158	168	829
Phillipston	0.0	0.0	0	0	0
Pittsfield	21.0	153.4	100	854	45,603
Plainfield	0.0	0.0	0	0	67
Plainville	0.0	0.0	0	0	4,139
Plymouth	0.0	3.0	0	14	61,306
Plympton	0.0	1.5	0	5	1,888

School district	Rcvg. FTE	Sending FTE	Rcvg. tuition	Sending tuition	Budgeted net school spending
Princeton	0.0	0.0	0	0	0
Provincetown	31.4	5.8	262	28	3,684
Quincy	0.0	0.0	0	0	61,978
Randolph	0.0	16.6	0	75	27,519
Raynham	0.0	0.0	0	0	7
Reading	0.0	0.0	0	0	26,899
Rehoboth	0.0	0.0	0	0	13
Revere	0.0	3.0	0	19	39,719
Richmond	0.0	3.5	0	16	1,877
Rochester	0.0	0.0	0	0	2,966
Rockland	0.0	0.0	0	0	18,086
Rockport	53.9	67.1	285	307	6,880
Rowe	19.0	3.0	147	11	883
Rowley	0.0	0.0	0	0	0
Royalston	0.0	0.0	0	0	0
Russell	0.0	0.0	0	0	0
Rutland	0.0	0.0	0	0	0
Salem	0.0	64.4	0	327	36,857
Salisbury	0.0	0.0	0	0	0
Sandisfield	0.0	0.0	0	0	0
Sandwich	0.0	7.7	0	33	21,188
Saugus	0.0	3.3	0	16	21,427
Savoy	2.0	13.0	10	49	763
Scituate	0.0	1.0	0	4	18,509
Seekonk	0.0	0.0	0	0	15,175
Sharon	0.0	0.9	0	5	21,640
Sheffield	0.0	0.0	0	0	0
Shelburne	0.0	0.0	0	0	0
Sherborn	0.0	0.0	0	0	3,181
Shirley	86.1	85.8	326	418	5,534
Shrewsbury	0.0	7.9	0	33	28,669
Shutesbury	0.0	0.0	0	0	1,391
Somerset	0.0	0.3	0	1	19,276
Somerville	0.0	6.9	0	41	57,155
S. Hadley	14.1	46.6	48	227	15,379
Southampton	0.0	3.0	0	10	3,160
Southborough	0.0	3.0	0	13	8,607
Southbridge	0.0	3.5	0	15	17,012
Southwick	0.0	0.0	0	0	0
Spencer	0.0	0.0	0	0	846
Springfield	17.0	276.3	99	1,394	201,463
Sterling	0.0	0.0	0	0	0
Stockbridge	0.0	0.0	0	0	0
Stoneham	0.0	0.0	0	0	18,488
Stoughton	0.0	8.0	0	34	27,104
Stow	0.0	0.0	0	0	0
Sturbridge	0.0	2.5	0	7	5,766
Sudbury	0.0	5.0	0	21	18,361
Sunderland	12.9	1.0	37	2	1,670
Sutton	55.7	15.7	210	60	8,820
Swampscott	0.0	6.0	0	29	15,637
Swansea	0.0	0.0	0	0	13,685
Taunton	64.6	8.4	349	37	50,729
Templeton	0.0	0.0	0	0	3
Tewksbury	0.0	9.8	0	45	25,856
Tisbury	0.0	3.0	0	15	3,533
Tolland	0.0	0.0	0	0	0
Topsfield	0.0	1.8	0	24	4,143
Townsend	0.0	0.0	0	0	0
Truro	0.0	7.8	0	65	2,530
Tyngsborough	32.0	16.8	124	69	12,030
Tyringham	0.0	5.4	0	32	334
Upton	0.0	0.0	0	0	0
Uxbridge	115.7	45.5	533	187	12,722
Wakefield	0.0	1.0	0	5	24,439
Wales	7.9	0.0	35	0	1,149
Walpole	0.0	0.0	0	0	22,083
Waltham	0.0	37.5	0	233	51,730
Ware	9.1	82.7	31	325	9,003
Wareham	3.0	1.2	17	4	22,710
Warren	0.0	0.0	0	0	0
Warwick	0.0	0.0	0	0	11
Washington	0.0	0.0	0	0	17
Watertown	0.0	1.0	0	5	25,306
Wayland	0.0	1.0	0	4	21,443
Webster	0.0	10.0	0	36	12,937
Wellesley	0.0	1.0	0	5	32,428
Wellfleet	0.0	3.8	0	28	1,727
Wendell	0.0	0.0	0	0	3
Wenham	0.0	0.0	0	0	0
W. Boylston	80.0	4.0	316	19	6,538
W. Bridgewater	0.0	0.0	0	0	7,197
W. Brookfield	0.0	0.0	0	0	0
W. Newbury	0.0	0.0	0	0	0
W. Springfield	0.0	9.3	0	30	25,726
W. Stockbridge	0.0	0.0	0	0	0
W. Tisbury	0.0	0.0	0	0	0
Westborough	0.0	7.5	0	39	24,278
Westfield	20.2	52.8	78	261	41,149
Westford	62.0	16.0	245	78	24,140
Westhampton	0.0	1.0	0	4	992
Westminster	0.0	0.0	0	0	0
Weston	0.0	0.0	0	0	20,304
Westport	9.3	0.0	43	0	10,618
Westwood	0.0	0.0	0	0	21,465
Weymouth	0.0	2.0	0	10	43,110
Whately	6.0	3.9	23	11	920
Whitman	0.0	0.0	0	0	108
Wilbraham	0.0	0.0	0	0	0
Williamsburg	21.7	1.0	89	4	1,754
Williamstown	46.0	1.0	216	4	3,509
Wilmington	0.0	1.0	0	5	22,379
Winchendon	20.7	42.3	78	157	11,908
Winchester	0.0	0.0	0	0	24,927
Windsor	0.0	0.0	0	0	31
Winthrop	0.0	0.0	0	0	13,641
Woburn	0.0	1.0	0	4	33,715
Worcester	0.0	134.1	0	667	192,178
Worthington	0.0	0.0	0	0	0
Wrentham	0.0	0.0	0	0	6,813
Yarmouth	0.0	0.0	0	0	225
Acton Boxborough	131.2	14.8	728	72	16,717
Adams Cheshire	54.4	13.8	306	80	12,531
Amherst Pelham	61.5	7.3	285	51	16,990
Ashburnham Westminster	48.1	48.9	200	201	15,637
Assabet Valley	0.0	4.8	0	28	8,455
Athol Royalston	0.0	51.2	0	211	15,527
Berkshire Hills	155.4	125.7	967	694	13,039
Berlin Boylston	84.3	24.9	526	117	3,481
Blackstone Millville	13.2	25.1	51	138	14,157
Blackstone Valley	0.0	0.0	0	0	9,147
Blue Hills	0.0	0.0	0	0	9,492
Bridgewater Raynham	0.0	10.9	0	71	33,905
Bristol County	0.0	0.0	0	0	4,201
Bristol Plymouth	0.0	0.0	0	0	8,205
Cape Cod	0.0	0.0	0	0	6,559
Central Berkshire	84.5	60.4	382	376	15,714
Chesterfield Goshen	1.0	26.5	4	112	1,131
Concord Carlisle	0.0	4.0	0	18	10,762
Dennis Yarmouth	59.0	48.5	292	325	29,624
Dighton Rehoboth	0.0	7.7	0	31	18,793
Dover Sherborn	0.0	1.5	0	14	8,852
Dudley Charlton	0.0	3.1	0	13	21,012
Essex County	0.0	0.0	0	0	4,076
Farmington River	18.8	21.0	101	101	2,251
Franklin County	0.0	4.1	0	23	5,261
Freetown Lakeville	0.0	8.7	0	38	11,019
Frontier	16.3	19.2	189	93	5,316
Gateway	17.5	78.9	128	361	11,998
Gill Montague	13.2	33.5	59	153	10,745
Greater Fall River	0.0	0.0	0	0	11,290
Greater Lawrence	4.0	305.0	20	1,581	16,772
Greater Lowell	9.0	42.4	45	235	20,425
Greater New Bedford	0.0	0.0	0	0	18,020
Groton Dunstable	24.1	45.0	97	214	15,273
Hamilton Wenham	211.4	7.6	1,112	35	15,304
Hampden Wilbraham	86.0	5.9	417	37	22,119
Hampshire	53.5	33.5	256	172	5,790
Hawlemont	0.9	20.4	3	94	1,131
King Philip	0.0	6.4	0	33	12,314
Lincoln Sudbury	0.0	4.0	0	23	12,036
Marthas Vineyard	0.0	0.0	0	0	7,899
Masconomet	0.0	5.0	0	23	11,910
Mendon Upton	126.2	52.2	542	256	11,429
Minuteman	240.2	0.0	1,397	0	10,549
Mohawk Trail	46.9	29.7	241	190	11,782
Montachusett	41.8	7.0	215	38	10,564
Mount Greylock	40.2	10.7	233	47	6,058
Narragansett	0.0	50.9	0	196	9,539
Nashoba	151.4	66.3	861	304	20,865
Nashoba Valley	71.8	14.4	388	77	5,590
Nauset	20.8	61.2	113	389	14,248
New Salem Wendell	0.0	1.0	0	3	1,399
Norfolk County	0.0	0.0	0	0	3,122
North Middlesex	38.8	61.6	174	281	29,371
North Shore	25.5	3.0	149	16	5,251
Northampton Smith	0.0	0.0	0	0	2,193
Northboro Southboro	0.0	7.2	0	35	8,119
Northeast Metropolitan	40.0	109.4	200	624	12,391
Northern Berkshire	0.0	0.0	0	0	4,579
Old Colony	0.0	0.0	0	0	4,731
Old Rochester	0.0	1.0	0	4	8,673
Pathfinder	34.8	0.0	184	0	5,194
Pentucket	77.4	53.9	328	246	19,318
Pioneer	17.5	15.2	61	66	7,526
Quabbin	163.9	23.3	789	88	19,328
Quaboag	15.4	19.6	54	78	10,006
Ralph C. Mahar	11.7	36.5	59	205	6,804
Shawsheen Valley	0.0	7.7	0	47	13,340
Silver Lake	0.0	0.0	0	0	20,182
South Middlesex	0.0	0.0	0	0	10,690
South Shore	0.0	0.0	0	0	5,676
Southeastern	0.0	0.0	0	0	12,782
Southern Berkshire	122.6	95.0	691	534	8,501
Southern Worcester	0.0	0.0	0	0	7,613
Southwick Tolland	68.4	6.3	333	24	10,946
Spencer East Brookfield	0.0	15.5	0	69	14,692
Tantasqua	0.0	13.0	0	63	10,821
Tri County	0.0	0.0	0	0	7,845
Triton	156.2	218.1	599	1,161	22,126
Upisland	4.0	0.0	20	0	4,758
Upper Cape Cod	0.0	0.0	0	0	4,903
Wachusett	0.0	62.6	0	275	41,316
Whitman Hansen	0.0	0.0	0	0	26,641
Whittier	300.0	5.0	1,555	25	10,611

Note: Tuition and net school spending figures are in thousands of dollars.

State totals:
Total FTE participating in school choice: 7344 1
Total tuition sent and received: $36,373,827
Total budgeted FY2000 net school spending: $6,841,886,189

Table 1

School Choice
➡ *continued from page three*

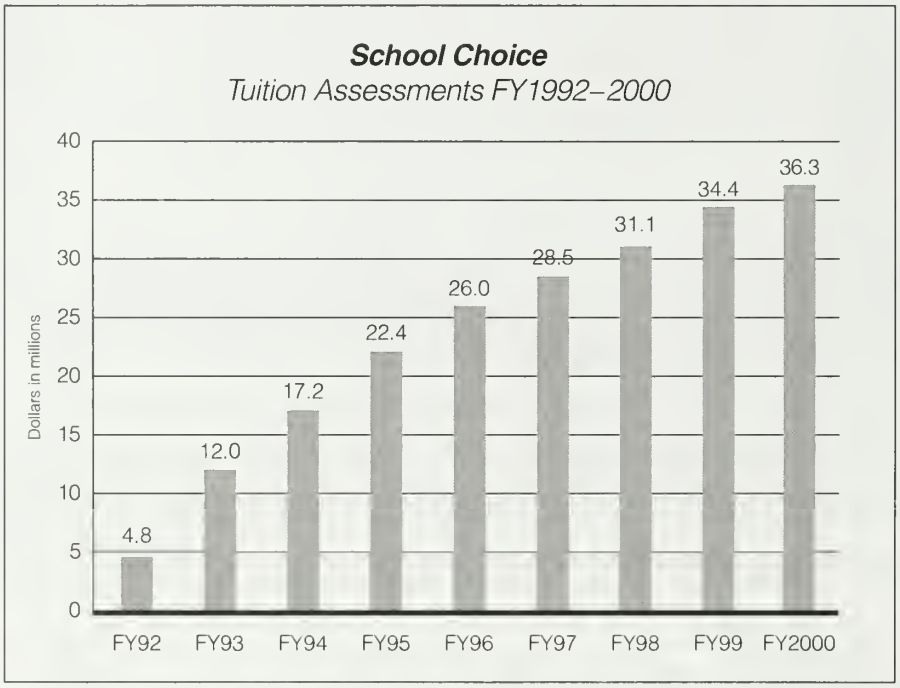

Figure 2

All of the 10 communities with the highest budgeted net school spending are cities: Boston, Springfield, Worcester, Lowell, Brockton, Lynn, Newton, New Bedford, Cambridge and Lawrence. Boston has the highest net spending of any community in the Commonwealth at $556,706,281; however, Boston's sending tuition ($161,629) is quite low in comparison to its net school spending. One reason for the low sending tuition in both Boston and Springfield is the METCO program, whose purpose is to promote desegregation in both Boston and Springfield's public schools, provide opportunities for students to reach the state's learning standards, and to provide opportunities and support for cross-cultural understanding and appreciation. FY2000 METCO enrollment was 3,236 students.

Receiving districts

In FY2000, there were 78 local school districts and 43 regional school districts accepting students from other districts. Cities, towns and regional school districts must vote *not to accept* students. If the district does not vote, the DOE assumes that the district will accept students for the following school year. The five local districts receiving the highest amounts of tuition in FY2000 were Newburyport ($1,349,062), Ayer ($983,610), Holliston ($943,653), Avon ($929,637) and Manchester ($747,576). The five regional school districts receiving the highest amounts of tuition in the last fiscal year were Whittier ($1,554,733), Minuteman ($1,397,162), Hamilton-Wenham ($1,112,383), Berkshire Hills ($967,061) and Nashoba ($860,530). The majority of local and regional receiving districts are located in western, north-central, and northeastern Massachusetts, and on Cape Cod.

Receiving districts receive tuition payments as part of the quarterly local aid distribution. These receipts are deposited in a separate account. Tuition receipts are considered revenue for the school department, and the local school committee may spend tuition receipts without approval by the municipality's appropriating body. Since school committees control the spending of tuition receipts, there is no gain to the municipal budget.

Sending districts

Sending districts are assessed tuition for those students that choose to attend a district other than their local school district. Tuition assessments are based on 75 percent of the receiving district's per pupil cost, capped at $5,000 for regular, bilingual and occupational day students. For special education students the tuition assessment is the full amount of the receiving district's per pupil cost for special education. Tuition assessments are deducted from the municipality or district's quarterly local aid distribution in December, March and June. Since School Choice tuition assessments affect a district's quarterly local aid distribution, communities and school districts should consider their potential budgetary impact. Prudent budget officers should include estimates of the upcoming year's tuition assessments when developing their budgets.

The five local school districts sending the most tuition are Springfield ($1,393,641), Leominster ($1,243,874), Pittsfield ($853,602), Fitchburg ($781,870) and Brockton ($774,311). The five RSDs sending the highest amounts of tuition are Greater Lawrence ($1,580,552), Triton ($1,161,180), Berkshire Hills ($693,881), Northeast Metropolitan ($623,805) and Southern Berkshire ($533,734).

Additional information on the School Choice program can be obtained from either Lisa Juszkiewicz at the Division of Local Services at (617) 626-2386, or Phyllis Rogers at the Department of Education at (781) 338-6534. Information also is available through the Office of School Finance's website at www.finance1.doe.mass.edu. ■

The assistance of Roger Hatch and Phyllis Rogers of the DOE is gratefully acknowledged.

DLS UPDATE

Corrections

Residents of Quincy do not have to move after all — their tax bills did *not* go up 50.6 percent from FY1999 to FY2000. A typographical error in the column entitled "Pct. change in bill" in *Table 1* in the article on FY2000 Average Single Family Tax Bills in the July/August issue of *City & Town*, listed Quincy's percent change as 50.6 percent when it should have read 5.06 percent. Residents in two other communities have also been mislead. Tax bills in Lunenberg increased by 4.85 percent, not 7.85 percent. Tax bills in Monson increased by 15.25 percent, not 15.52 percent. We regret any panic attacks our errors may have caused.

Another Town Becomes a City

West Springfield is the 49th community in Massachusetts to adopt a city form of government. Of the remaining 302 towns, 40 have representative town meetings and 262 retain the traditional open town meeting form of government. Although it has adopted a form of government with a mayor and a council, West Springfield will continue to call itself a town. It joins nine other "towns" with mayors or managers and councils: Amesbury, Barnstable, Easthampton, Franklin, Greenfield, Methuen, Southbridge, Watertown and Weymouth. After almost 50 years without a change, 11 communities have made the change to city government since 1970. An article in the November 1999 issue of *City & Town* explored the reasons for the changes. It is clear that communities choose to become cities for a variety of reasons, although there does appear to be a strong correlation to population, population density and the percentage of the total property value that is in the commercial and industrial classes. The difficulties of managing municipal government with volunteers and attracting sufficient voters to form a quorum for town meetings are strong factors for a move to the city form of government. Several other communities have appointed charter commissions to explore the possibility of making such changes.

FY2001 Cherry Sheets

FY2001 state aid to municipalities and regional school districts totaled $4.859 billion, an increase of $320.5 million or 7.1 percent over FY2000. Chapter 70 aid to education increased $187.1 million to $2.990 billion. Lottery aid increased $60 million to $730 million. Cities, towns and regional school districts received their individual FY2001 Cherry Sheets in early August. Information on all communities is available on the DLS website at www.state.ma.us/dls.

Additional Lottery Aid Distributed

Communities have received an additional $87.7 million in supplemental lottery aid. The additional lottery receipts were not included on the FY2001 Cherry Sheets, but are in addition to those receipts. The Division of Local Services notified cities and towns in late August of the amount of the supplemental aid each would receive. The letters included information about how these additional lottery receipts can be used. The monies can be applied as estimated receipts when setting the FY2001 tax rate, appropriated as an available fund during FY2001 once they are received, or allowed to close to fund balance (free cash) at the end of FY2001. Questions regarding the use of these receipts should be directed to each city or town's Bureau of Accounts field representative.

UST Municipal Grants

The Department of Revenue Underground Storage Tank (UST) Program is accepting applications for the FY2001 City and Town Municipal Grants Program. The program provides reimbursement of up to 50 percent for costs incurred by municipalities in removing and/or replacing USTs.

In FY2000 the program awarded approximately $850,000 to municipalities. Grant awards are made in June. The deadline to file for FY2001 is May 31, 2001. Municipalities seeking pre-approval must file by November 30, 2000.

Contact Stuart Glass at (617) 887-5978 for a grant application or to inquire about the program's requirements. You can also visit the UST Program website at www.state.ma.us/ust. ■

School Impact Fee Invalidated

➡ *continued from page two*

ble tax. In the absence of an explicit legislative authorization, the impact fee could not be implemented. The court sympathized with the town's dilemma of finding money to build new schools, but stated that its remedy must come from the Legislature. ■

written by James Crowley

1. 49 Mass. App. 500 (2000).
2. Article 89 Section 7 of the Articles of Amendment.
3. 391 Mass. 415 (1984).
4. 23 N.J. 357 (1957).

Municipal Fiscal Calendar

October 1
Collector: *Mail first semi-annual tax bills.*

Taxpayer: *Last date to file application to have land valued and taxed as agricultural/horticultural land or recreational land, M.G.L. Ch. 61A and Ch. 61B.*

October 15
DOE: *Notify communities of any prior year school spending deficiencies.*

Superintendent: *Submit school foundation enrollment report to DOE.*

October 31
Accountant: *Submit Schedule A for prior fiscal year.*

Selectmen: *Begin establishing next fiscal year budget guidelines and request department budgets.*

Assessors: *Begin work on tax rate recapitulation sheet (to set tax rate for quarterly tax bill communities).*

Opportunities for Training

"What's New in Municipal Law" will be offered at the Ramada Sovereign Hotel and Conference Center, 1080 Riverdale Street (at I-91) in West Springfield on Friday, September 22, 2000, and at the Sheraton Framingham Hotel, 1657 Worcester Road (Exit 12 from the Mass Pike), Framingham on Friday, September 29, 2000 from 9:00 a.m. to 3:00 p.m.

Assessment Administration: Law, Procedures, Valuation will be offered in the basement of the Library at Atlantic Union College, Lancaster, on eight Tuesday evenings from 7:00 p.m. to 10:00 p.m. beginning October 3.

A **Classification Training Workshop** will be given on Tuesday, October 31, 2000 from 7:00 p.m. to 8:30 p.m. in the basement of the library at Atlantic Union College in Lancaster.

For information, call Barbara LaVertue, Coordinator of Training, at (617) 626-2340.

Libraries Now Receive City & Town

With this issue, *City & Town* is being sent to local libraries. Please let us know if the address that we have added to our mailing list is incorrect. Changes to the mailing labels should be sent to Elaine Lombardi, PO Box 9490, Boston MA 02205-9490 or call (617) 626-2337. ■

Employment Opportunity

Property Tax Appraiser. The Bureau of Local Assessment seeks an appraiser to provide technical assistance to municipalities in property tax administration, mass appraisal, data quality, tax base growth, and local finance. Duties include triennial recertification of property values, valuing state-owned land, equalized valuations, etc. Requirements include three years of full-time experience in appraisal or assessment of real property, or a bachelor's degree with two years of the required experience, and a valid driver's license. Applicants should have strong analytical and writing skills as well as proficiency in the use of computer spreadsheet applications. Professional appraisal designation is desirable. Travel is required and assignments will generally be in North Shore communities. The salary range is $36,109 to $49,037. Send cover letters and resumes to Marilyn Browne, Chief, Bureau of Local Assessment PO Box 9490, Boston, MA 02205-9490. ■

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials.

Jean McCarthy, Editor

To obtain information or publications, contact the Division of Local Services via:

- website: www.state.ma.us/dls
- telephone: (617) 626-2300
- mail: PO Box 9490, Boston, MA 02205-9490

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CITY & TOWN

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Frederick A. Laskey, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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Community Preservation Act

written by Joe Markarian

A local option to fund the creation and preservation of community housing, open space and historic resources is now available to cities and towns. On September 14, 2000, Governor Cellucci signed legislation creating the Massachusetts Community Preservation Act.[1] Few communities had pursued special legislation to create land banks before the Cape Cod Open Space and Acquisition Program was created in 1999. Encouraged by the prospect of sharing in a one-time state contribution of $15 million, all 15 Cape Cod communities adopted the program, agreeing to raise local funding through a three percent surtax on property tax bills. The Community Preservation Act closely mirrors the Cape Cod program in structure; however, its focus is much broader. The Cape program's emphasis on land conservation had little appeal to densely developed and urban communities. Provisions to fund new housing development, as well as historic preservations, were added to preservation efforts, combining in a single program what might otherwise be competing interests in a community.

The goals of the Community Preservation program are summarized in *Figure 1* on page 6. The emphasis on new initiatives is paramount. As a result, program funds may not be expended on properties already owned or controlled by the community. Instead, a city or town may acquire real property using community preservation funds by purchase, lease, gift, grant, rental or devise, and under certain circumstances by way of eminent domain.

A community qualifies for participation in the program though local acceptance of Sections 3 through 7 of Chapter 44B. After approval by town meeting or the city council, voters must accept the Community Preservation provisions in the next regular municipal or state election. Once local acceptance is achieved, the community must remain in the program for a minimum of five years.

After acceptance, the city or town must establish a community preservation committee as well as a special fund through town by-law or city ordinance. The community preservation committee must include five to nine elected or appointed members. A minimum of one member each has to come from the conservation commission, the local historical society, the planning board, the park commission and the housing authority. There are no restrictions on the remaining one to four members.

The initial task of the committee is to complete a study of local needs, possibilities and potential. Such a study would draw upon the knowledge of committee members and might involve an inventory of historic buildings including buildings that might qualify for historic designation, of open space and recreational land, and of existing housing units for low and moderate income persons or families. As part of the study process, the committee is obligated to conduct at least one public hearing.

At the completion of its initial study and each year thereafter, the committee must present its recommendations to the town meeting or city council. The legislative body has the option to spend in accordance with committee recommendations or to set money aside for later expenditure. However, each year at least 10 percent of the annual revenue collected must be expended or set aside for open space preservation, 10 percent for historic preservation and 10 percent for community housing development. Subject to program goals, there is no restriction on how the remainder of the fund revenues are spent. In addition, five percent of annual revenues may be directed to cover the administrative and operating costs of the community preservation committee. A municipality may issue bonds or notes in anticipation of preservation revenue. Fund balances may be invested and appropriations from the local general fund may be made to support committee recommendations. The community preservation fund must be set up as a separate account under the control of the municipal treasurer.

The Massachusetts Community Preservation Act has both local and state funding components:

continued on page six ➡

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LEGAL

in Our Opinion

Teachers' Records Exempt under Public Records Law

In an important decision interpreting the Commonwealth's public records statute, the Supreme Judicial Court ruled that disciplinary records of public school teachers are exempt from public disclosure. The decision is *Wakefield Teachers' Association v. School Committee of Wakefield*.[1]

In 1995, school officials received a complaint that a male teacher at Wakefield Junior High School had written inappropriate notes on homework papers of two female students in his class. The Wakefield school superintendent investigated the complaint, conducting interviews with the teacher, union representatives and others. The school superintendent then prepared a report critical of the teacher's actions and suspended the teacher for four weeks without pay. After the suspension, the teacher returned to work. When the incident was reported in the local newspaper, a Wakefield resident requested that the school superintendent furnish information pertaining to the suspension of the teacher. Town counsel referred the request to the Acting Supervisor of Public Records in the Office of the Secretary of State. The Supervisor wrote in her advisory opinion that the Wakefield school officials must disclose the portions of their records that identified the teacher and the nature of his misconduct. The teachers' union immediately filed suit in superior court to block release of the disciplinary report. After adverse lower court rulings, the union appealed to the Supreme Judicial Court.

The Supreme Judicial Court (SJC) acknowledged that the Massachusetts public records law was enacted to ensure access to government documents.[2] It stated that numerous Massachusetts court decisions have held that a presumption exists that a record, regardless of physical form or characteristics, is public, and the burden of proof is on the custodian of the record to show why the record is exempt from disclosure. The Legislature has broadly defined public records in M.G.L. Ch. 4, Sec. 7, Cl. 26 and then enumerated 12 exemption provisions. The issue for the court was whether the Wakefield disciplinary report is exempt from disclosure pursuant to one of those exemption provisions.

In the court's view, the case turned on the proper interpretation of the third exemption provision which exempts: "personnel and medical files or information; also any other materials or data relating to a specifically named individual, the disclosure of which may constitute an unwarranted invasion of personal privacy."[3] In the landmark decision of *Globe Newspaper Co. v. Boston Retirement Board*, the SJC had held that this exception exempts two distinct categories of records.[4] The first category is "personnel and medical files or information." The second category is "other materials or data relating to a specifically named individual." Only the second category, the court said, is modified by the phrase, "the disclosure of which may constitute an unwarranted invasion of personal privacy." The SJC first had to decide whether a disciplinary report falls within the provisions of the first or second clause of paragraph (c). According to the court, a disciplinary report is "personnel information" and is exempt from disclosure. The court recognized that not all items in a personnel file are exempt. The exact scope of the exemption has to be determined on a case by case basis. In the court's view, however, the personnel exemption certainly applies to job applications, work evaluations, disciplinary documentation, and information relating to employment, promotion, or termination. In reviewing federal court decisions interpreting the analogous Federal Freedom of Information Act and court decisions from other states interpreting similar public records statutes, the SJC found that disciplinary reports are considered to be part of an individual's personnel information.

In the court's view, information within the "personnel" provision of the public record law is absolutely exempt from disclosure. The exemption, however, does not extend to all information in an employee's personnel file. For example, payroll records containing an employee's name, dates of employment, and gross salary do not constitute personnel information even though the same data might be contained in a personnel file. The SJC held, however, that a disciplinary report relating to one teacher is absolutely exempt from disclosure under the express terms of paragraph (c) of the public record law.

Therefore, a teacher's disciplinary record is not open to public inspection. ■

written by James Crowley

1. 431 Mass. 792 (2000).
2. M.G.L. Ch. 66, Sec. 10.
3. M.G.L. Ch. 4, Sec. 7, Cl. 26(c).
4. 388 Mass. 427 (1983).

Bulletin 33

Massachusetts Laws Relating to Municipal Finance and Taxation (Bulletin 33) is available on CD-ROM. One copy has been sent free of charge to each city and town. Additional copies are available for $24.21 each (the cost of manufacture plus postage) by calling Elaine Lombardi at (617) 626-2337.

Focus on Municipal Finance

New DOR Website for Businesses

This spring, the Massachusetts Department of Revenue (DOR) launched the Bay State Business Connection (BSBC) website. The new website, found at www.baystatebiz.com, is designed to meet the needs of the Commonwealth's business community as a "one-stop shop" for resources on doing business in Massachusetts. As of the end of September, there were close to 17,000 visits to the BSBC website.

BSBC contains business information from many federal and state agencies and business associations. Using BSBC, local officials can locate information, forms and guides on tax and employer obligations, business regulations, economic development resources, and much more. On the site, "The Guide to Massachusetts Tax and Employer Obligations" includes information on federal identification numbers, trustee taxes, business income taxes, unemployment, workers' compensation, and child support enforcement.

One of the many features available on BSBC is an online Form TA-1, used to register new businesses or update existing registrations. When the registration is accepted, the application issues a temporary business certificate, valid for 60-days. BSBC also offers "PC File for Business." This free, downloadable software application allows businesses to register for sales and withholding taxes online and file these taxes via personal computer. This application allows electronic funds transfer (EFT) payments for any tax type. Among the other BSBC features are "fill-in" PDF tax forms, which permit taxpayers to fill in forms online and print out the completed forms for filing. Fill-in forms available include corporate excise tax returns, the business use tax return, the Application for Abatement and many more.

Of particular interest to local communities, BSBC also includes the "Online Employer Reporting System," an Internet-based option for employers to report all newly hired employees, employees returning to work after 30 days, and independent contractors who will be earning $600 or more. All employers, regardless of size or type of business, are required by state and federal law to report new hires to DOR within 14 days.[1] DOR uses this information to ensure that children receive their child support on time and in full, and to reduce fraud in entitlement programs. This online option is intended to ease the reporting burden for employers and increase the speed and efficiency of data processing. Previously, employers had to fax these reports or submit them on magnetic media. By the end of September, approximately 28,000 new hires and independent contractors were reported via the new BSBC method.

DOR is also pursuing a joint venture with the Division of Employment and Training (DET) called, "Single File," which will simplify reporting requirements for those employers who choose to use this new web-based filing method. Single File consolidates wage reports and withholding tax returns (filed with DOR), and unemployment insurance contributions, unemployment health insurance contributions, and workforce training (filed with DET) into one transaction. DOR is also working on more closely aligning filing and payment dates for different filing requirements. If all employers used this new filing method, the number of returns filed could be reduced by as much as two-thirds. DOR is gathering employer input to assist in the design of the application.

Of particular interest to *City & Town* readers would be "Activities and Trades Licensed by Local Governments" within BSBC's Licensing & Regulation section. The state mandates licenses for certain business activities and trades, that local governments issue, and each city and town may have its own business regulations. For businesses just starting out, there is information on consulting the appropriate local officials to ascertain whether and how the business is regulated locally. BSBC provides links to Commonwealth Communities, a state website with information about every Massachusetts city and town, and links to city and town websites for communities that have them, as well as the Massachusetts Municipal Association, a nonprofit organization website with listings and links to official city and town websites, or its searchable database to locate key government phone numbers and addresses.

Upcoming enhancements to BSBC include Web-based applications for filing sales, meals, and room occupancy taxes and for making estimated corporate payments. Assisting in the creation and enhancement of this site is GovConnect, a company that has been assisting DOR with its automation efforts since the 1993 creation of the Telefile system. "This is the next logical phase for our business Web portal and serves as an example of the Commonwealth's commitment to providing businesses with a user-friendly, 24/7 single interface with government," said Frederick A. Laskey, Commissioner of Revenue. "We are working with GovConnect to take full advantage of the Internet's capabilities."

If you would like to receive BSBC e-mail updates on enhancements to the BSBC website, you may subscribe to our mailing list by sending an e-mail to: majordomo@dor-domo.massdor.com with the words "subscribe baystatebiz"

continued on page six ➡

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Facts & Figures

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- Business Forms
- Help & Resources

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Lieutenant Governor Jane Swift

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• State Government	• Education and Workforce Resources
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• Environmental Regulations & Permits	
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• Cities and Towns	

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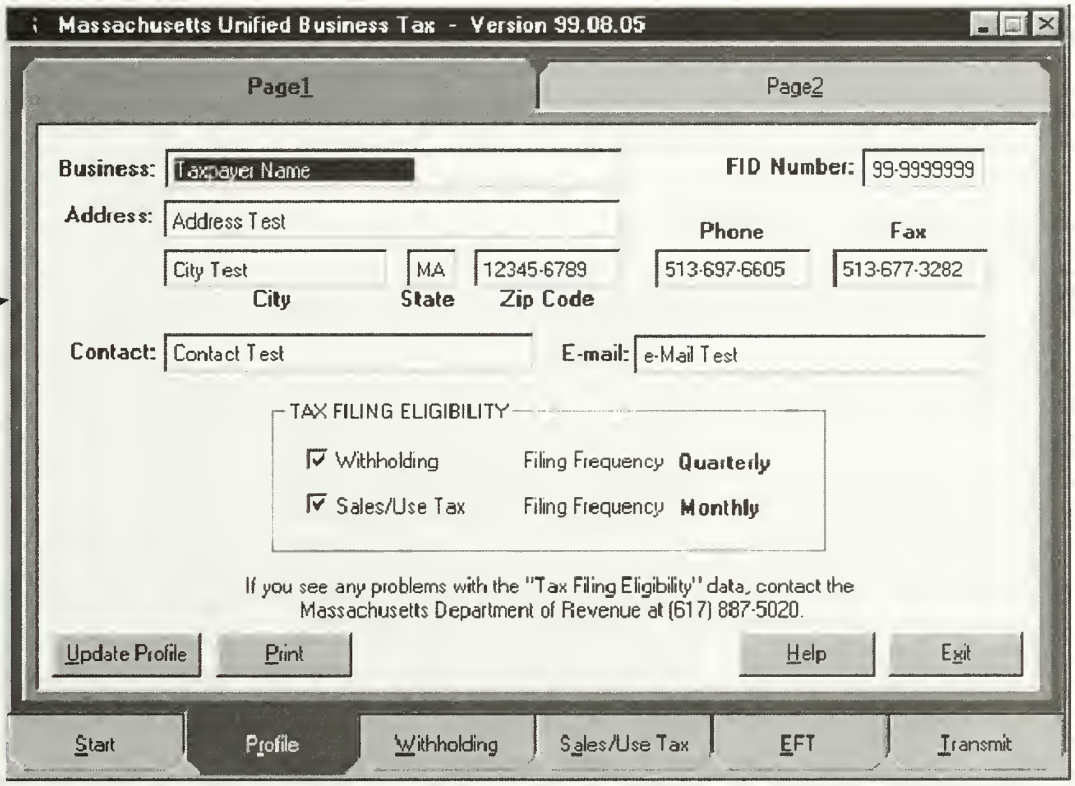

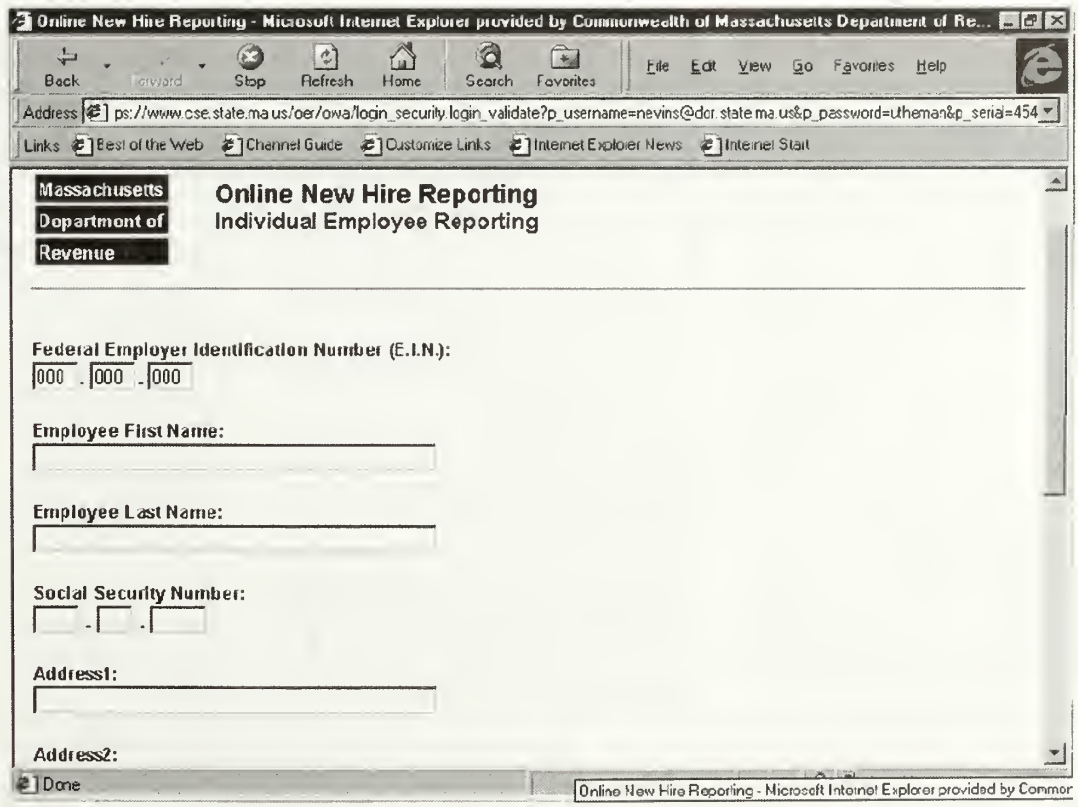

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Community Preservation Act
➡ *continued from page one*

Community Preservation Goals

- Acquisition, creation and preservation of open space, land for recreational use.
- Acquisition and preservation of historic places.
- Creation, preservation and support of community housing.
- Rehabilitation and restoration of properties acquired or created under the community preservation program for open space, historic resources, recreational use, and community housing.

Figure 1

1) Local: Up to a three percent surcharge on local property tax bills. Communities retain all amounts collected in the Community Preservation Fund.

2) State: $10 and $20 surcharges on certain Registry of Deed's filings. A projected pool of $26 million will be deposited to the Community Preservation Trust Fund and distributed annually among participating communities by formula.

If the local option is accepted, the community is obligated to impose a surcharge of not more than three percent on real estate bills. Taxpayers, such as the elderly or veterans, who already receive an exemption are not subject to the new surcharge. At its option, a community can also exempt from the surcharge $100,000 of the value of each taxable residential parcel; commercial and industrial properties in communities with classified tax rates; and residential property of qualified low and moderate income owner-occupants. The surcharge is subject to the commitment process and is otherwise treated as a tax bill subject to collection procedures.

The state community preservation trust fund, initially estimated at $26 million per year, will be disbursed in three rounds. Round one is the so-called "match distribution" which allocates 80 percent of the state pool to participating communities. Each city or town will receive an identical percentage share of the amount raised locally. The distribution will be no less than 5 percent and no more than 100 percent of the amount raised by each respective city or town. Round two, the equity round, distributes most or all of the remaining 20 percent of the pool by a formula that incorporates EQV per capita, population, and assigned deciles. Any trust fund balance is allocated as part of an optional round three surplus distribution, also based on an equity formula. However, in order to qualify for the second and third round distributions, a participating community must impose the maximum three percent local tax surcharge.

The Community Preservation Act (Chapter 267) becomes effective on December 13, 2000. The most rapid sequence of approvals for achieving local acceptance makes FY2002 the earliest year a local surtax can be imposed in towns and FY2003 in cities, and October 15, 2002, the earliest date state preservation funds can be distributed. The Division of Local Services will administer the program. An Informational Guideline Release explaining to local officials the requirements, policies and procedures for implementing the Community Preservation Program will be sent to each city and town. ■

1. Chapter 267 of the Acts of 2000.

New Website
➡ *continued from page three*

in the body of the message. Once on the list you will receive e-mail directly to your account to alert you to any significant changes made to BSBC. Please note: DOR will not share your e-mail address with any third party for any reason. If you have questions or comments about BSBC (or are having trouble subscribing to the list), please send an e-mail to: bsbcfeedback@massdor.com. ■

written by Betsy Brill

1. MGL Chapter 62E, sec. 2 and 42 U.S.C, 653Ab.

Facts About "The .Commonwealth"

- Massachusetts is home to the world's most highly educated and highest paid workforce:
- One-third of all heads of household have a college degree.
- High tech average wages are almost twice the national average.
- Half of all engineering graduates from Massachusetts colleges and universities remain in the state.
- There are 121 institutions of higher learning, public and private, in Massachusetts.
- In 1998 the Corporation for Enterprise Development gave Massachusetts its highest ranking for development capacity and business, and ranked Massachusetts number one in the nation in technological resources.
- Total Research and Development expenditures in the Commonwealth are nearly three times greater than the national average. ■

From the Bay State Business Connection

DLS UPDATE

Romanian Delegation Visit

A delegation of local officials from Romania met with Deputy Commissioner Joseph J. Chessey Jr., and several of his Division of Local Services (DLS) staff on September 15, 2000. The delegation included a member of the legal department at the Ministry of Public Service; the Vice President of Tulcea County Council; five finance directors from the counties of Tulcea and Bistrita and the cities of Zalau, Alba Iulia and Lugoj; four mayors from the cities of Zalau, Alba Iulia, Alexandria and Lugoj, and the Commerce Director of Alexandria. In addition, two consultants from the Research Triangle Institute traveled with the delegation.

The delegation visited the United States to research state and local governments' roles with regard to local finance practices and administration, assessment practices, debt service and real property taxes. The Romanian officials heard presentations on the regulatory and oversight responsibilities of DLS, as well as the services and technical assistance provided to local governments. Through two interpreters, the visitors asked detailed questions and shared their experiences with DLS staff. Because there is no access to long term credit or borrowing in Romania, the delegation was particularly interested in how debt is handled here. They also wanted to learn about the tax rate setting process and year-end reports and audits. Audits are not made public in Romania.

While in Massachusetts, the delegation also met with local officials in Duxbury, Nahant, Northampton, and Worcester; the accounting firm of Powers and Sullivan; MMA Executive Director Geoffrey Beckwith; the Treasurers' and Collectors' Association; and the Joint Committee on Local Aid at the State House.

Identifying State Payments

Has a payment from the state ever left your treasurer or accountant wondering? In the past, communities have sometimes received monies from the state without sufficient detail to enable clear identification of the source and/or purpose of the payment. Others have wondered when to expect a particular payment. VendorWeb, located at massfinance.state.ma.us, is an Internet-based tool designed by the State Comptroller's Office to provide Commonwealth payment information. Updated every weeknight and accessible 24/7, the VendorWeb allows access to information that eases reporting and financial reconciliation functions.

There are two paths to use when using VendorWeb — *Scheduled Payments* and *Payment History*. The *Scheduled Payment* view provides invoices that have been processed in the Massachusetts Management Accounting and Reporting System (MMARS) and scheduled for payment. MMARS is the Commonwealth's financial management system. The *Payment History* view provides detailed information on completed payments, such as the date the State Treasurer's Office issued the payment. Local officials can organize the Payment History data in ways that best suit their needs: by payment, by date ranges, and/or by department(s). Local officials can use VendorWeb to confirm payment status, ensuring that a payment is either scheduled or has been paid.

To use VendorWeb, local officials need a PC with Internet access and their unique 13-digit vendor code. Typically the vendor code is the employer identification number and a four-digit suffix. Most cities and towns have at least two codes, one for local aid and one for other payments.

VendorWeb can be used with any browser but is best viewed with at least Internet Explorer 3 or Netscape 2.01. To access VendorWeb, the 'Cookies Enabled' setting must be activated. An authorization for Electronic Payments (EFT) form is available so that communities, who are not currently doing so, can have their Commonwealth payments directly deposited into their bank accounts.

For questions, call the Office of the Comptroller's Helpline at (617) 727-5995, Monday through Friday from 8 am to 5 pm.

New Property Tax Exemptions

Surviving spouses of disabled veterans who qualified for exemptions ranging from $425 to $950 may now continue to receive the higher amount regardless of marital status. Previously, widows of such veterans were entitled only to a reduced benefit of $250, and that was totally eliminated if the spouse remarried. This new benefit even extends to surviving spouses of qualified veterans who died before the effective date of these amendments. These changes in the law apply to exemptions granted for fiscal years beginning on July 1, 2000, but do not take effect until October 26, 2000.[1]

A new local option allows a city or town to establish a *minimum fair cash value required for personal property accounts to be taxed*, and to modify that value, by vote of its appropriating authority.[2] The minimum value cannot be more than $10,000. Although a community may accept this provision any time after October 26, 2000, FY2002 is the first year the exemption may be implemented. ■

1. M.G.L. Ch. 59, Sec. 5 (22d), (22A), (22B), (22C), (22E) amended by Ch 159 Sec 109-113 Acts of 2000.
2. M.G.L. Ch. 59, Sec. 5 (54).

Municipal Fiscal Calendar

November 1
Taxpayer: *Semi-annual tax bill — deadline for first payment.*

Taxpayer: *Semi-annual tax bill — application deadline for property tax abatement.*

Taxpayer: *Quarterly tax bill — deadline for second quarterly tax bill without interest.*

Treasurer: *Deadline for payment of first half of county tax.*

November 15
Treasurer: *First quarter reconciliation of cash (due 45 days after end of quarter).*

November 30
Selectmen: *Review budgets submitted by department heads.*

December 15
Taxpayer: *Deadline for applying for property tax exemptions for persons.*

Accountant/Superintendent/School Committee: *Submit amendments to end of school year report to DOE.*

December 31
State Treasurer: *Deadline for notification of quarterly local aid payments.*

Taxpayer: *Deadline for filing application for abatement of motor vehicle excise for prior calendar year.*

Water/Sewer Commissioners: *Deadline for betterments to be included on next year's tax bill (M.G.L. Ch. 80, Sec. 13; Ch. 40, Sec. 42I and Ch. 83, Sec. 27).*

Selectmen: *Begin to finalize budget recommendation for review by Finance Committee.*

Assessors: *Mail 3-ABC forms to all eligible non-profit organizations.*

Collector: *Deadline for mailing third quarterly tax bill.*

Recognition for Service

The Division of Local Services (DLS) is blessed with a small group of employees who work behind the scenes to keep the organization running. On September 15, 2000, the Commissioner of Revenue recognized the long-standing service of two of those employees, Mildred Hernon and Carol Goldberg, at a ceremony at the State House. Millie Hernon has worked for the Department of Revenue (DOR) for 50 years. In her current role as personnel supervisor, she handles a myriad of payroll and employment issues for DLS employees in Boston, Worcester and Springfield, and acts as their ombudsman with other DOR bureaus. Highly respected by her coworkers, Millie epitomizes the professional government employee. Carol Goldberg works as a clerk in the Bureau of Accounts where she has faithfully served for the past 40 years. The staff of the DLS wishes to extend their gratitude and thanks to both of these employees. ■

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials.

Jean McCarthy, Editor

To obtain information or publications, contact the Division of Local Services via:

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- telephone: (617) 626-2300
- mail: PO Box 9490, Boston, MA 02205-9490

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CITY & TOWN

GOVERNMENT DOCUMENTS COLLECTION

Frederick A. Laskey, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

A Publication of the Massachusetts Department of Revenue's Division of Local Services

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New Rules for School Building Assistance

written by Jeff Wulfson, Department of Education

Modifications to the Commonwealth's school building assistance (SBA) program give municipalities and school districts greater flexibility to devise appropriate solutions to their school building needs. They also promote efficient and effective use of state funding and encourage planning for school projects consistent with the state's goals for the preservation of open space and downtown areas. In July, the governor signed into law the most far-reaching changes since SBA was enacted in 1948.[1] At the same time, the Board of Education made companion changes to the program regulations.[2] The SBA program has now been made a permanent part of the general laws.[3] There is no longer a sunset date for the program's expiration. Current funding for SBA is more than $300 million annually.

The old, fixed reimbursement rates have been eliminated. New reimbursement rates established for each town are based on equalized property valuations, per capita income, and the percentage of low-income students in the district. These rates will be updated annually. In addition, projects can earn additional "incentive" points for reusing existing buildings, providing adequate maintenance, using construction managers and/or meeting energy efficiency standards. The automatic 90 percent reimbursement rate for approved racial desegregation projects has been eliminated. For the next five years, districts with approved desegregation plans will have 10 points added to their reimbursement rate, and for the five years following that, five points will be added.

Districts can now receive reimbursement for more cost effective alternatives to construction. Examples include leasing space, entering into tuition agreements with neighboring districts, or utilizing modular classrooms on a temporary basis. Beginning in FY2001, major repair projects, including replacement of roofs, mechanical systems or windows, will again be eligible for state funding. Work required to meet building code or accessibility requirements, to improve energy efficiency or to remedy structural or environmental safety hazards will also qualify.

The reform legislation encourages the reuse and expansion of existing buildings, minimizing the need to take open space for the construction of new school buildings. Although the space standards in the SBA regulations have not yet been changed, they are under review. The Department of Education (DOE) expects changes to be made sometime next year. In the meantime, districts may request waivers of the current standards, if needed to allow the reuse of existing buildings.

A new interagency SBA advisory board has been established to assist in the review of project applications and to provide advice to the Commissioner of Education on individual projects and general policies. Under the new regulations, a more thorough review of available options will take place prior to project approval. Districts should notify DOE as soon as a particular need is identified to ensure that all appropriate options are considered in the feasibility study. In many cases the initial study will identify additional options or issues for further analysis. Requests for new capacity to meet future enrollment projections must include adequate supporting documentation for those projections.

The changed regulations eliminate fixed deadlines for the various steps in the application process. School districts may now submit applications at any time during the year. After review, DOE will grant appropriate approvals as soon as the requirements of each step have been met. Because of the emphasis on ensuring that all options are fully considered, DOE can no longer commit to granting final approval in the same year in which applications are submitted.

The new statute includes grandfather provisions for projects already in the planning stage. In particular, projects which have already received DOE approval and which are on the priority list awaiting funding will receive the old reimbursement rates. In addition, projects which receive a local vote for design or construction by December 30, 2000, have a completed application by June 30, 2001, and receive Board of Education approval by August 30, 2001, are also eligible for the old rates.

Since districts have submitted a record number of project applications for SBA

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LEGAL

in Our Opinion

Open Meeting Law

The Appeals Court recently had to decide whether the chairman of the Longmeadow board of selectmen's attendance at a nonpublic meeting constituted a violation of the Open Meeting Law. The case is *Pearson v. Board of Selectmen of Longmeadow.*[1]

In 1996, the city of Springfield planned to reopen the King Philip Stockade for recreational purposes. Although the Stockade is in Springfield, Western Drive in the town of Longmeadow was proposed as the access to the Stockade. Residents of Western Drive became alarmed at the thought of their neighborhood being overrun by motor vehicles travelling to and from the Stockade. Statements from Springfield officials did not alleviate the residents' fears. The Longmeadow board of selectmen, therefore, scheduled an emergency meeting for the evening of May 22, 1996 to discuss the residents' traffic concerns. On that afternoon, the chairman of the board of selectmen decided to cancel the evening meeting. He made this decision after consulting with the other selectmen and the town's executive secretary by telephone. That evening, the chairman attended a nonpublic meeting. Other attendees were two residents of Western Drive, the town's executive secretary, the mayor of Springfield, and two other Springfield officials. At the meeting, the mayor proposed that vehicles only use Western Drive on a temporary basis until the city could construct a new entrance to the Stockade. The chairman requested that the city delay the opening of the facility for 10 days to permit the Longmeadow board of selectmen to deliberate and vote on any proposed agreement that would be drafted by the Longmeadow town counsel and the Springfield city solicitor.

On May 28, 1996 there was a community wide meeting in Longmeadow to discuss the Springfield mayor's proposal. Then, at a subsequent selectmen's meeting, the board deliberated and voted on the agreement. Thereupon, registered voters of Longmeadow complained to the Hampden County district attorney that the May 22 meeting had violated the Open Meeting Law. The Hampden district attorney described that meeting as a fact gathering session at which no vote or decision was made. He concluded that the May 22 meeting had complied with the law.

Under the Open Meeting Law, three or more registered voters, the attorney general or the district attorney can file a complaint in the Supreme Judicial Court or superior court.[2] In this instance, three registered voters brought suit in Hampden County Superior Court. The court ruled in favor of the selectmen, and the plaintiffs appealed to the Appeals Court.

The Open Meeting Law provides that all meetings of a governmental body shall be open to the public, and no quorum of a governmental body shall meet in private to decide on or deliberate on any matter, except as provided by law. The statute further provides that a governmental body includes all subcommittees. At issue was whether a single member of a governmental body who attends a meeting with officials of another city or town is a "subcommittee" under the terms of the Open Meeting Law.

In reading the statute, the Appeals Court noted that the word "deliberation" was defined as "a verbal exchange between a quorum of members of a governmental body." In the court's view, a meeting of a "subcommittee" of a governmental body, under a plain reading of the statute, logically could not include a subcommittee of one. The plaintiffs had relied on an earlier Appeals Court decision involving the Town of Canton. In *Nigro v. Conservation Commission of Canton*, the Appeals Court had held that a three member subcommittee of the seven member Canton conservation commission must comply with the Open Meeting Law when the subcommittee engages in fact finding and making reports to the full commission.[3] In the case at hand, however, the Appeals Court held that the 1984 Town of Canton decision should not be read to mean that a subcommittee of a governmental body could ever include just one individual.

The Appeals Court also wrote that, even if there had been a violation of the Open Meeting Law, the harm would have been remedied by the independent deliberative action taken at the later meeting of the full board of selectmen. Furthermore, in the court's view, there was no violation of the Open Meeting Law when the May 22 selectmen's meeting was cancelled by telephone and the decision was made for the chairman to attend the nonpublic meeting. According to the court, it would be impractical to hold a public meeting for such acts as scheduling or canceling meetings.

Under the circumstances presented, the Appeals Court ruled that the Longmeadow selectmen had complied with the Open Meeting Law. ■

written by James Crowley

1. 49 Mass. App. 119 (2000).
2. M.G.L. Ch. 39, Sec. 23B.
3. Mass. App. 433 (1984).

Focus on Municipal Finance

FY2000 Multiple Tax Rates

Cities and towns certified as assessing property at full and fair cash value may elect to shift the tax levy burden within and among the major property classes under limits established by law. At an annual public hearing, the board of selectmen or the city council, with the consent of the mayor, separately consider four different local options. These are a residential exemption, an open space discount, a small commercial exemption, and a split tax rate. In FY2000 11 municipalities elected to grant a residential exemption; three opted for the small commercial exemption; two chose the open space option and 100 voted a split tax rate.

The residential exemption excludes part of the value of an eligible taxpayer's principal residence. The amount exempted may be up to 20 percent of the average assessed value of the total residential class. Since it is a fixed amount, more is exempted proportionally from eligible lower valued properties than from those with higher values. Thus, the levy burden is shifted within the residential class only from owner-occupied and lower valued properties, to higher valued ones and to those not eligible for the exemption, such as vacant land, rental properties and seasonal homes. In FY2000, two communities choosing this option have a large number of seasonal homes (Tisbury, Nantucket), while eight (Boston, Brookline, Cambridge, Chelsea, Marlborough, Somerville, Waltham, Watertown) have a substantial number of apartments. The majority granted the maximum 20 percent exemption, with exclusions of from $38,000 to $89,600 of value.[1]

The open space discount reduces the tax burden for properties classified by the assessors as open space, defined as land in an open or natural condition contributing to the public benefit and enjoyment. Such land may not include chapter land (M.G.L. Ch. 61, 61A, 61B), property held for income production, or property with a permanent conservation restriction. The discount may be up to 25 percent. The levy burden is shifted to the residential class, which assumes a slightly higher tax rate. The two communities choosing this option in FY2000, Bedford and Paxton, have less than two percent of their total assessed value in the open space class. They chose 25 and 10 percent discounts respectively.

First allowed in FY1994, the small commercial exemption excludes a percentage of the assessed value of each eligible parcel. Only commercial real property valued at less than $1 million and occupied by certified small businesses (10 or fewer employees) is eligible. The resulting decreased class value causes a slightly higher commercial and industrial tax rate; the personal property tax rate is not affected. Thus the levy burden is shifted to those in the commercial and industrial class not eligible for the exemption. The three communities choosing this option (Avon, Braintree, Somerset) granted the maximum 10 percent exemption. All three have commercial and industrial properties ranging from small "mom and pop" operations to large retail malls or power plants.

In FY2000 approximately 29 percent of the municipalities shifted some of the tax burden from the residential and open space classes (R&O) to the commercial, industrial and personal property classes (CIP). The adoption of a split rate does not change the total property tax levy; rather, it determines the share of the total to be borne by each class. If a municipality decides to have a single tax rate, the levy share of each property class is proportionate to its share of the total assessed value. In other words, if the residential portion of the total assessed value is 80 percent,

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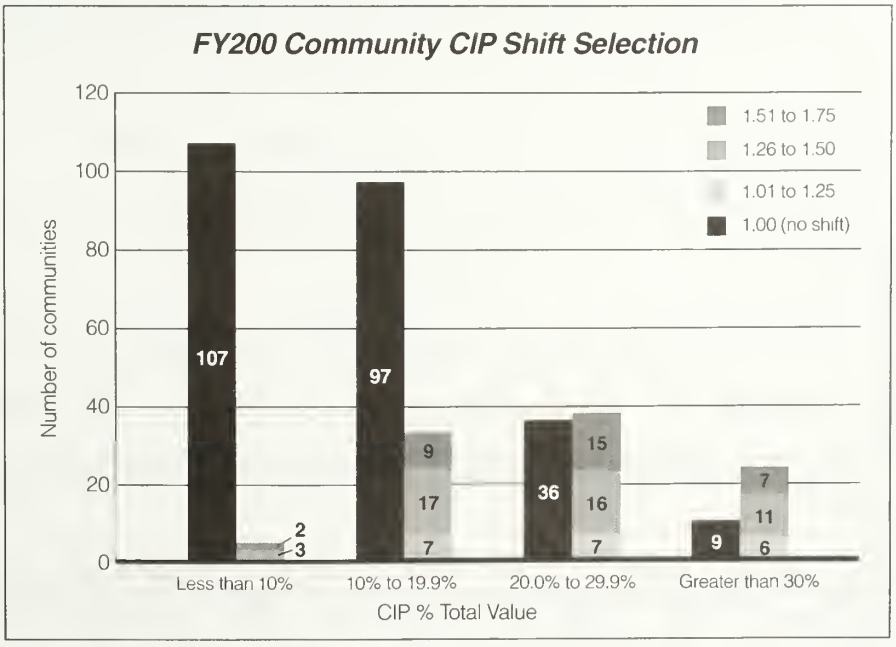
Figure 1



FY2000 Multiple Tax Rates, CIP Shifts and Amount Shifted

	CIP % of Valuation	Max CIP Shift	Actual CIP Shift	$ Shift to CIP (000s)	Actual Res Tax Rate	Actual CIP Tax Rate	Single Tax Rate
Abington	14.40	1.50	1.00		19.10	19.10	19.10
Acton	14.40	1.50	1.00		17.43	17.43	17.43
Acushnet	10.40	1.50	1.25	180	14.09	18.14	14.51
Adams	20.70	1.50	1.14	163	17.63	20.86	18.30
Agawam	28.50	1.50	1.25	1,895	15.00	20.77	16.64
Alford	3.80	1.50	1.00		7.74	7.74	7.74
Amesbury	18.30	1.50	1.00		17.88	17.88	17.88
Amherst	13.70	1.50	1.00		19.67	19.67	19.67
Andover	24.10	1.50	1.26	3,861	14.65	20.11	15.96
Aquinnah	2.50	1.50	1.00		6.65	6.65	6.65
Arlington	8.70	1.50	1.00		17.66	17.66	17.66
Ashburnham	4.70	1.50	1.00		18.60	18.60	18.60
Ashby	5.00	1.50	1.00		17.72	17.72	17.72
Ashfield	9.20	1.50	1.00		16.98	16.98	16.98
Ashland	11.30	1.50	1.10	209	16.19	18.04	16.40
Athol	14.80	1.50	1.00		14.95	14.95	14.95
Attleboro	19.40	1.75	1.50	3,028	15.34	26.16	17.44
Auburn	31.10	1.50	1.46	2,278	13.32	24.54	16.81
Avon (C)	49.90	1.35	1.30	1,149	12.43	23.18	17.76
Ayer	52.90	1.31	1.29	1,512	11.32	21.63	16.77
Barnstable	15.90	1.50	1.00		12.80	12.80	12.80
Barre	13.40	1.50	1.00		17.30	17.30	17.30
Becket	7.80	1.50	1.00		12.06	12.06	12.06
Bedford (O)	28.50	1.75	1.70	5,634	12.16	28.68	16.87
Belchertown	7.30	1.50	1.00		18.94	18.94	18.94
Bellingham	35.70	1.50	1.00		13.82	13.82	13.82
Belmont	6.00	1.50	1.00		12.32	12.32	12.32
Berkley	5.50	1.50	1.00		12.13	12.13	12.13
Berlin	30.40	1.50	1.00		15.19	15.19	15.19
Bernardston	16.10	1.50	1.00		17.42	17.42	17.42
Beverly	12.20	1.75	1.50	2,764	14.49	23.36	15.57
Billerica	26.60	1.75	1.65	8,745	13.90	30.00	18.18
Blackstone	7.90	1.50	1.00		14.96	14.96	14.96
Blandford	9.80	1.50	1.00		13.46	13.46	13.46
Bolton	12.90	1.50	1.00		16.41	16.41	16.41
Boston (R)	44.30	1.58	1.58	221,676	13.15	34.21	21.68
Bourne	14.30	1.50	1.00		12.80	12.80	12.80
Boxborough	18.80	1.50	1.00		16.88	16.88	16.88
Boxford	2.60	1.50	1.00		13.55	13.55	13.55
Boylston	10.80	1.50	1.10	56	16.89	18.81	17.10
Braintree (C)	30.10	1.52	1.50	6,739	12.24	23.45	15.59
Brewster	9.30	1.50	1.00		11.92	11.92	11.92
Bridgewater	10.90	1.50	1.00		14.03	14.03	14.03
Brimfield	12.10	1.50	1.00		15.97	15.97	15.97
Brockton	26.30	1.50	1.37	6,444	18.06	28.51	20.81
Brookfield	9.60	1.50	1.00		17.29	17.29	17.29
Brookline (R)	11.00	1.75	1.74	7,915	14.83	24.52	14.07
Buckland	21.20	1.50	1.00		18.64	18.64	18.64
Burlington	42.00	1.56	1.55	10,767	10.30	26.50	17.10
Cambridge (R)	38.60	1.69	1.69	43,952	9.64	25.16	14.86
Canton	24.90	1.50	1.50	3,890	14.21	25.54	17.03
Carlisle	2.20	1.50	1.00		17.80	17.80	17.80
Carver	22.30	1.50	1.37	908	16.83	25.79	18.83
Charlemont	15.30	1.50	1.00		20.08	20.08	20.08
Charlton	15.30	1.50	1.00		13.84	13.84	13.84
Chatham	10.40	1.50	1.00		10.08	10.08	10.08
Chelmsford	20.50	1.50	1.00		17.34	17.34	17.34
Chelsea (R)	36.50	1.75	1.75	5,549	14.65	39.73	22.70
Cheshire	9.50	1.50	1.00		11.50	11.50	11.50
Chester	7.60	1.50	1.00		15.70	15.70	15.70
Chesterfield	7.50	1.50	1.00		21.49	21.49	21.49
Chicopee	23.60	1.50	1.50	4,677	16.65	29.54	19.69
Chilmark	2.30	1.50	1.00		2.38	2.38	2.38
Clarksburg	4.80	1.50	1.00		13.47	13.47	13.47
Clinton	15.30	1.75	1.75	1,172	16.12	32.62	18.64
Cohasset	7.20	1.50	1.00		15.09	15.09	15.09
Colrain	11.00	1.50	1.00		18.65	18.65	18.65
Concord	11.60	1.50	1.00		12.10	12.10	12.10
Conway	9.10	1.50	1.00		18.70	18.70	18.70
Cummington	13.80	1.50	1.00		14.46	14.46	14.46
Dalton	21.90	1.50	1.00		18.46	18.46	18.46
Danvers	32.70	1.50	1.10	1,155	14.81	17.12	15.57
Dartmouth	18.80	1.50	1.00		11.95	11.95	11.95
Dedham	23.60	1.69	1.69	5,759	14.75	31.67	18.74
Deerfield	26.70	1.50	1.00		15.00	15.00	15.00
Dennis	10.60	1.50	1.00		8.64	8.64	8.64
Dighton	16.40	1.50	1.50	450	13.67	22.73	15.16
Douglas	7.50	1.50	1.00		16.99	16.99	16.99
Dover	2.00	1.50	1.00		11.38	11.38	11.38
Dracut	9.10	1.50	1.00		15.69	15.69	15.69
Dudley	10.00	1.50	1.00		12.20	12.20	12.20
Dunstable	5.60	1.50	1.00		15.66	15.66	15.66
Duxbury	4.20	1.50	1.00		14.84	14.84	14.84
E. Bridgewater	14.10	1.50	1.00		17.98	17.98	17.98
E. Brookfield	11.90	1.50	1.00		10.60	10.60	10.60
E. Longmeadow	22.30	1.50	1.00		20.43	20.43	20.43
Eastham	7.50	1.50	1.00		11.71	11.71	11.71
Easthampton	15.20	1.50	1.00		17.02	17.02	17.02
Easton	12.00	1.50	1.00		16.24	16.24	16.24
Edgartown	7.70	1.50	1.00		6.24	6.24	6.24
Egremont	8.00	1.50	1.00		10.42	10.42	10.42
Erving	90.90	1.04	1.04	104	3.54	5.64	5.45
Essex	12.10	1.50	1.00		13.35	13.35	13.35
Everett	49.00	1.48	1.48	10,684	10.41	28.61	19.33
Fairhaven	21.00	1.50	1.15	451	15.14	18.13	15.77
Fall River	23.60	1.75	1.75	6,835	10.46	23.84	13.62
Falmouth	9.30	1.50	1.00		11.46	11.46	11.46
Fitchburg	24.40	1.50	1.27	1,558	18.21	25.34	19.95
Florida	79.90	1.09	1.02	19	9.45	10.47	10.27
Foxborough	21.50	1.50	1.00		15.46	15.46	15.46
Framingham	28.90	1.50	1.47	12,662	16.13	29.31	19.94
Franklin	20.90	1.50	1.00		13.11	13.11	13.11
Freetown	14.90	1.75	1.45	520	14.45	22.74	15.68
Gardner	20.30	1.50	1.00		19.19	19.19	19.19
Georgetown	11.80	1.50	1.00		15.14	15.14	15.14
Gill	18.10	1.50	1.00		15.24	15.24	15.24
Gloucester	12.40	1.50	1.30	1,377	14.83	20.14	15.49
Goshen	5.30	1.50	1.00		16.51	16.51	16.51
Gosnold	3.50	1.50	1.00		2.50	2.50	2.50
Grafton	12.30	1.50	1.00		15.80	15.80	15.80
Granby	7.30	1.50	1.00		16.53	16.53	16.53
Granville	15.60	1.50	1.00		16.60	16.60	16.60
Grt. Barrington	24.30	1.50	1.00		17.16	17.16	17.16
Greenfield	27.90	1.50	1.00		21.68	21.68	21.68
Groton	6.30	1.50	1.00		18.81	18.81	18.81
Groveland	9.40	1.50	1.00		15.30	15.30	15.30
Hadley	33.00	1.50	1.00		13.03	13.03	13.03
Halifax	13.10	1.50	1.00		16.30	16.30	16.30
Hamilton	5.90	1.50	1.00		15.70	15.70	15.70
Hampden	9.30	1.50	1.00		17.57	17.57	17.57
Hancock	17.30	1.50	1.00		5.40	5.40	5.40
Hanover	20.30	1.50	1.00		18.18	18.18	18.18
Hanson	10.00	1.50	1.00		16.45	16.45	16.45
Hardwick	11.80	1.50	1.00		15.30	15.30	15.30
Harvard	5.10	1.50	1.00		13.80	13.80	13.80
Harwich	11.10	1.50	1.00		11.70	11.70	11.70
Hatfield	31.60	1.50	1.00		13.24	13.24	13.24
Haverhill	17.10	1.75	1.50	3,990	17.25	28.85	19.23
Hawley	8.90	1.75	1.00		14.74	14.74	14.74
Heath	5.00	1.50	1.00		19.42	19.42	19.42
Hingham	14.90	1.50	1.00		14.61	14.61	14.61
Hinsdale	15.90	1.50	1.00		15.66	15.66	15.66
Holbrook	18.50	1.50	1.42	846	17.93	28.13	19.81
Holden	8.60	1.50	1.00		18.28	18.28	18.28
Holland	5.40	1.50	1.00		16.79	16.79	16.79
Holliston	10.60	1.50	1.00		17.98	17.98	17.98
Holyoke	42.30	1.48	1.41	5,127	15.93	32.10	22.77
Hopedale	10.30	1.75	1.45	274	16.98	25.96	17.90
Hopkinton	15.50	1.50	1.00		15.70	15.70	15.70
Hubbardston	6.80	1.50	1.00		16.41	16.41	16.41
Hudson	21.70	1.60	1.51	2,002	13.48	23.70	15.70
Hull	5.50	1.50	1.00		17.12	17.12	17.12
Huntington	7.30	1.50	1.00		16.10	16.10	16.10
Ipswich	9.70	1.50	1.00		13.90	13.90	13.90
Kingston	21.10	1.50	1.00		16.39	16.39	16.39
Lakeville	16.40	1.50	1.00		12.79	12.79	12.79
Lancaster	14.60	1.50	1.00		15.11	15.11	15.11
Lanesborough	33.60	1.50	1.00		15.10	15.10	15.10
Lawrence	25.70	1.75	1.70	4,958	15.66	35.15	20.68
Lee	38.60	1.50	1.00		14.84	14.84	14.84
Leicester	11.60	1.50	1.00		16.46	16.46	16.46
Lenox	26.10	1.50	1.00		13.20	13.20	13.20
Leominster	24.40	1.50	1.00		15.86	15.86	15.86
Leverett	3.30	1.50	1.00		18.52	18.52	18.52
Lexington	16.50	1.50	1.50	5,062	12.25	20.39	13.60
Leyden	6.20	1.50	1.00		17.63	17.63	17.63
Lincoln	4.20	1.50	1.00		11.47	11.47	11.47
Littleton	24.90	1.50	1.33	986	14.09	21.05	15.83
Longmeadow	5.20	1.50	1.00		19.08	19.08	19.08
Lowell	21.10	1.75	1.70	9,131	18.40	38.46	22.63
Ludlow	16.90	1.50	1.00		16.80	16.80	16.80
Lunenburg	11.20	1.50	1.00		16.62	16.62	16.62
Lynn	16.20	1.75	1.75	7,032	17.68	36.17	20.67
Lynnfield	9.10	1.50	1.00		13.18	13.18	13.18
Malden	16.60	1.75	1.67	4,579	17.43	33.59	20.11
Manchester	7.50	1.50	1.00		10.83	10.83	10.83
Mansfield	23.90	1.50	1.04	259	16.99	17.89	17.21
Marblehead	5.70	1.50	1.00		11.14	11.14	11.14
Marion	9.90	1.50	1.00		12.52	12.52	12.52
Marlborough (R)	34.70	1.50	1.42	7,502	16.31	28.07	19.77
Marshfield	7.70	1.50	1.00		15.06	15.06	15.06
Mashpee	11.50	1.50	1.00		14.31	14.31	14.31
Mattapoisett	7.90	1.50	1.00		14.26	14.26	14.26
Maynard	15.50	1.75	1.48	988	17.95	29.14	19.68
Medfield	6.60	1.50	1.00		16.49	16.49	16.49
Medford	16.10	1.73	1.73	6,471	15.92	32.10	18.52
Medway	15.60	1.50	1.00		17.39	17.39	17.39
Melrose	6.70	1.75	1.50	987	14.03	21.83	14.55
Mendon	9.90	1.50	1.00		13.90	13.90	13.90
Merrimac	7.00	1.50	1.00		15.61	15.61	15.61

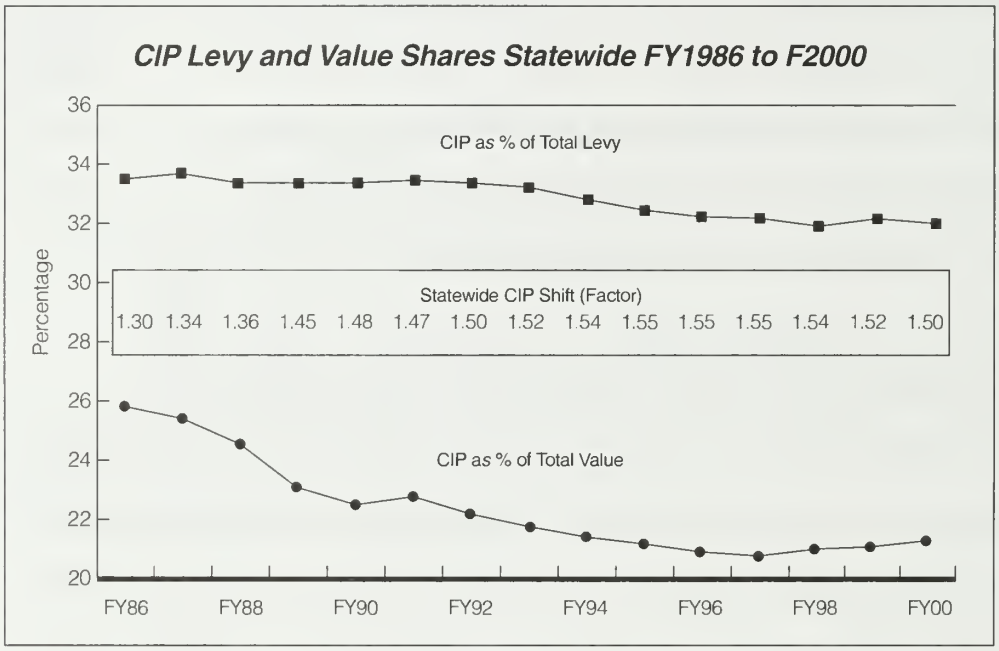
	CIP % of Valuation	Max CIP Shift	Actual CIP Shift	$ Shift to CIP (000s)	Actual Res Tax Rate	Actual CIP Tax Rate	Single Tax Rate
Methuen	15.70	1.50	1.35	2,037	15.17	21.90	16.22
Middleborough	20.80	1.50	1.10	364	17.02	19.23	17.48
Middlefield	7.40	1.50	1.00		16.71	16.71	16.71
Middleton	23.00	1.50	1.00		15.14	15.14	15.14
Milford	24.50	1.63	1.50	3,598	16.55	29.63	19.75
Millbury	18.40	1.50	1.00		15.66	15.66	15.66
Millis	11.90	1.50	1.00		18.17	18.17	18.17
Millville	5.60	1.50	1.00		16.98	16.98	16.98
Milton	4.50	1.75	1.40	613	15.03	21.45	15.32
Monroe	73.30	1.13	1.00		13.35	13.35	13.35
Monson	12.60	1.50	1.00		18.24	18.24	18.24
Montague	32.80	1.50	1.20	492	16.74	22.26	18.55
Monterey	5.50	1.50	1.00		9.32	9.32	9.32
Montgomery	5.70	1.50	1.00		13.94	13.94	13.94
Mt. Washington	5.20	1.50	1.00		5.68	5.68	5.68
Nahant	3.40	1.50	1.00		12.91	12.91	12.91
Nantucket (R)	9.60	1.75	1.75	2,074	5.77	10.57	6.04
Natick	28.00	1.50	1.00		15.12	15.12	15.12
Needham	16.40	1.50	1.46	3,691	11.76	18.88	12.93
New Ashford	34.40	1.50	1.30	15	5.49	8.47	6.52
New Bedford	23.40	1.75	1.64	8,337	16.23	33.11	20.19
New Braintree	10.40	1.50	1.00		16.82	16.82	16.82
New Marlborough	9.10	1.50	1.00		10.84	10.84	10.84
New Salem	6.10	1.50	1.00		14.20	14.20	14.20
Newbury	5.80	1.50	1.00		13.36	13.36	13.36
Newburyport	19.50	1.50	1.00		16.81	16.81	16.81
Newton	11.70	1.75	1.72	12,660	12.06	22.97	13.34
Norfolk	5.20	1.50	1.00		15.86	15.86	15.86
N. Adams	27.40	1.50	1.50	1,068	15.64	28.91	19.27
N. Andover	17.00	1.50	1.16	893	14.91	17.88	15.41
N. Attleborough	26.10	1.50	1.00		14.88	14.88	14.88
N. Brookfield	14.30	1.50	1.00		13.62	13.62	13.62
N. Reading	16.50	1.50	1.00		16.14	16.14	16.14
Northampton	25.40	1.50	1.00		16.07	16.07	16.07
Northborough	20.90	1.50	1.00		16.84	16.84	16.84
Northbridge	14.70	1.50	1.00		14.50	14.50	14.50
Northfield	32.60	1.50	1.00		14.46	14.46	14.46
Norton	15.40	1.50	1.00		14.26	14.26	14.26
Norwell	18.10	1.50	1.00		14.54	14.54	14.54
Norwood	32.00	1.50	1.34	3,596	12.17	19.41	14.49
Oak Bluffs	10.20	1.50	1.00		11.85	11.85	11.85
Oakham	7.90	1.50	1.00		13.05	13.05	13.05
Orange	20.50	1.50	1.00		20.18	20.18	20.18
Orleans	11.60	1.50	1.00		8.46	8.46	8.46
Otis	8.10	1.50	1.00		9.08	9.08	9.08
Oxford	19.30	1.50	1.00		17.18	17.18	17.18
Palmer	21.10	1.50	1.00		18.45	18.45	18.45
Paxton (O)	5.20	1.50	1.00		19.67	19.67	19.67
Peabody	28.90	1.56	1.50	6,533	10.31	19.42	12.94
Pelham	3.80	1.50	1.00		20.40	20.40	20.40
Pembroke	16.20	1.50	1.00		14.88	14.88	14.88
Pepperell	11.00	1.50	1.00		15.38	15.38	15.38
Peru	11.60	1.50	1.00		17.62	17.62	17.62
Petersham	8.00	1.50	1.00		14.08	14.08	14.08
Phillipston	6.10	1.50	1.00		15.10	15.10	15.10
Pittsfield	28.40	1.50	1.25	2,727	18.80	25.93	20.83
Plainfield	16.20	1.50	1.00		15.23	15.23	15.23
Plainville	21.80	1.50	1.00		15.39	15.39	15.39
Plymouth	33.70	1.50	1.00		17.48	17.48	17.48
Plympton	13.80	1.50	1.00		16.72	16.72	16.72
Princeton	3.60	1.50	1.00		15.34	15.34	15.34
Provincetown	27.80	1.50	1.00		8.55	8.55	8.55
Quincy	22.70	1.75	1.75	16,975	15.71	35.25	20.14
Randolph	19.30	1.50	1.30	1,635	16.87	23.63	18.18
Raynham	26.90	1.50	1.09	284	14.35	16.18	14.84
Reading	8.40	1.50	1.00		14.79	14.79	14.79
Rehoboth	10.70	1.50	1.00		13.85	13.85	13.85
Revere	15.80	1.75	1.75	4,354	17.12	34.88	19.93
Richmond	7.80	1.50	1.00		14.38	14.38	14.38
Rochester	18.60	1.50	1.00		13.30	13.30	13.30
Rockland	23.30	1.50	1.00		16.73	16.73	16.73
Rockport	8.80	1.50	1.00		15.88	15.88	15.88
Rowe	94.10	1.02	1.02	43	3.22	5.06	4.95
Rowley	12.60	1.50	1.00		14.32	14.32	14.32
Royalston	7.30	1.50	1.00		12.04	12.04	12.04
Russell	14.30	1.50	1.50	85	14.57	23.82	15.89
Rutland	5.80	1.50	1.00		13.65	13.65	13.65
Salem	27.70	1.75	1.66	8,241	14.23	31.65	19.06
Salisbury	24.40	1.50	1.00		13.69	13.69	13.69
Sandisfield	10.10	1.50	1.00		10.21	10.21	10.21
Sandwich	20.20	1.50	1.00		14.30	14.30	14.30
Saugus	25.80	1.65	1.65	5,218	11.59	24.71	14.97
Savoy	5.60	1.50	1.00		14.90	14.90	14.90
Scituate	5.30	1.50	1.00		13.85	13.85	13.85
Seekonk	27.70	1.50	1.33	1,667	15.16	23.08	17.35
Sharon	7.00	1.50	1.00		20.68	20.68	20.68
Sheffield	17.50	1.50	1.00		15.94	15.94	15.94
Shelburne	24.10	1.50	1.00		14.78	14.78	14.78
Sherborn	3.50	1.50	1.00		14.48	14.48	14.48
Shirley	13.20	1.50	1.00		15.99	15.99	15.99
Shrewsbury	15.80	1.50	1.00		13.34	13.34	13.34
Shutesbury	4.00	1.50	1.00		22.19	22.19	22.19
Somerset (R, C)	41.00	1.50	1.48	4,998	13.18	26.66	18.01
Somerville (R)	19.20	1.75	1.75	7,715	13.97	25.97	14.84
S. Hadley	11.30	1.50	1.00		16.67	16.67	16.67
Southampton	7.60	1.50	1.00		14.94	14.94	14.94
Southborough	21.60	1.50	1.00		14.30	14.30	14.30
Southbridge	25.50	1.50	1.00		15.78	15.78	15.78
Southwick	12.60	1.50	1.00		15.56	15.56	15.56
Spencer	15.50	1.50	1.00		12.32	12.32	12.32
Springfield	27.50	1.75	1.44	12,482	20.80	36.05	25.00
Sterling	14.40	1.50	1.00		16.12	16.12	16.12
Stockbridge	13.30	1.50	1.00		9.63	9.63	9.63
Stoneham	13.90	1.50	1.12	416	14.51	16.57	14.80
Stoughton	21.80	1.50	1.37	2,493	16.88	25.78	18.82
Stow	9.70	1.50	1.00		18.13	18.13	18.13
Sturbridge	24.30	1.50	1.00		18.37	18.37	18.37
Sudbury	6.70	1.50	1.40	958	16.66	24.01	17.15
Sunderland	13.40	1.50	1.00		15.92	15.92	15.92
Sutton	10.80	1.50	1.00		15.09	15.09	15.09
Swampscott	7.90	1.64	1.64	1,113	15.25	26.47	16.14
Swansea	19.90	1.56	1.50	1,431	13.00	22.28	14.85
Taunton	25.30	1.52	1.52	5,048	13.34	24.62	16.20
Templeton	10.60	1.50	1.00		11.82	11.82	11.82
Tewksbury	24.40	1.50	1.41	3,371	15.00	24.47	17.31
Tisbury (R)	15.70	1.50	1.21	323	13.37	15.86	13.11
Tolland	9.50	1.50	1.00		4.98	4.98	4.98
Topsfield	8.30	1.50	1.00		14.92	14.92	14.92
Townsend	11.70	1.50	1.00		17.26	17.26	17.26
Truro	8.00	1.50	1.00		7.40	7.40	7.40
Tyngsborough	16.30	1.50	1.00		19.80	19.80	19.80
Tyringham	11.10	1.50	1.00		8.66	8.66	8.66
Upton	6.90	1.50	1.00		12.41	12.41	12.41
Uxbridge	14.40	1.50	1.00		15.99	15.99	15.99
Wakefield	20.30	1.67	1.57	3,696	13.65	25.06	15.96
Wales	9.40	1.50	1.00		18.45	18.45	18.45
Walpole	14.40	1.50	1.18	683	14.92	18.16	15.39
Waltham (R)	36.50	1.68	1.68	20,785	11.71	27.53	16.37
Ware	18.00	1.50	1.00		18.62	18.62	18.62
Wareham	18.70	1.50	1.00		13.06	13.06	13.06
Warren	26.60	1.50	1.00		17.70	17.70	17.70
Warwick	5.70	1.50	1.00		20.39	20.39	20.39
Washington	8.00	1.50	1.00		13.09	13.09	13.09
Watertown (R)	22.10	1.75	1.64	5,836	13.39	24.93	15.20
Wayland	5.20	1.50	1.00		15.02	15.02	15.02
Webster	18.00	1.75	1.60	1,232	14.12	26.01	16.25
Wellesley	13.10	1.50	1.00		9.50	9.50	9.50
Wellfleet	9.80	1.50	1.00		9.43	9.43	9.43
Wendell	11.70	1.50	1.00		20.15	20.15	20.15
Wenham	5.40	1.50	1.00		13.46	13.46	13.46
W. Boylston	21.00	1.50	1.00		18.00	18.00	18.00
W. Bridgewater	38.80	1.50	1.19	696	13.52	18.29	15.37
W. Brookfield	11.50	1.50	1.00		13.83	13.83	13.83
W. Newbury	3.50	1.50	1.00		12.74	12.74	12.74
W. Springfield	31.70	1.50	1.42	4,199	18.22	32.16	22.63
W. Stockbridge	11.70	1.50	1.00		14.46	14.46	14.46
W. Tisbury	4.70	1.50	1.00		8.30	8.30	8.30
Westborough	42.10	1.48	1.00		15.12	15.12	15.12
Westfield	20.50	1.50	1.49	3,233	16.40	27.98	18.78
Westford	14.40	1.50	1.00		16.48	16.48	16.48
Westhampton	5.10	1.50	1.00		18.50	18.50	18.50
Westminster	22.20	1.50	1.00		17.58	17.58	17.58
Weston	4.90	1.50	1.00		11.97	11.97	11.97
Westport	10.30	1.50	1.00		9.93	9.93	9.93
Westwood	18.90	1.50	1.48	2,679	12.66	21.09	14.25
Weymouth	14.30	1.50	1.38	2,642	15.67	23.01	16.72
Whately	20.40	1.50	1.00		19.09	19.09	19.09
Whitman	12.90	1.50	1.00		20.30	20.30	20.30
Wilbraham	11.80	1.50	1.00		18.30	18.30	18.30
Williamsburg	10.00	1.50	1.00		14.87	14.87	14.87
Williamstown	20.90	1.50	1.00		14.59	14.59	14.59
Wilmington	30.90	1.75	1.61	6,346	14.36	31.77	19.73
Winchendon	12.70	1.50	1.00		16.34	16.34	16.34
Winchester	6.90	1.50	1.00		13.82	12.92	13.76
Windsor							
Winthrop	6.90	1.50	1.00		12.33	12.33	12.33
Woburn	36.20	1.68	1.54	9,103	11.30	25.01	16.26
Worcester	28.20	1.63	1.55	20,287	18.47	36.34	23.51
Worthington	6.80	1.50	1.00		13.71	13.71	13.71
Wrentham	20.40	1.50	1.00		14.82	14.82	14.82
Yarmouth	15.10	1.50	1.00		13.06	13.06	13.06

Notes:
C — Small Commercial Exemption.
O — Open Space Discount.
R — Residential Exemption.

Table 1

FY2000 Multiple Tax Rates
➡ *continued from page three*

Figure 2



then it raises 80 percent of the property taxes. This option allows the community to change only the levy proportion.

The Classification Act of 1979 established two limits on the ability of cities and towns to shift the property tax burden. First, the CIP levy share may only be increased as much as 50 percent over what it would otherwise be with a single tax rate. Second, the residential share may be no less than 65 percent of the single tax rate levy share. Chapter 200 of the Acts of 1988 modified these shift limits. Under its provisions, if a community's maximum shift results in a residential share larger than the prior year's, the CIP levy share may increase as much as 75 percent. However, the residential levy share cannot be reduced below 50 percent of its single tax rate share nor can it be less than the levy share in any year since the community was first certified.[2]

Of the 350 communities reporting in FY2000, most (297) had an allowable CIP shift of 50 percent. Eight could not shift that much, while 47 communities could have shifted between 50 and 75 percent. The actual CIP levy share increase chosen by the 100 communities that shift varies from 2 to 75 percent. Only 24 opted to shift to their maximum. (*Table 1*)

Municipalities choose to shift the tax burden to the commercial, industrial and personal property classes for many different reasons. The relative proportion of the CIP assessed value seems to be an important factor in deciding to shift. *Figure 1* shows that the actual number of communities adopting a split tax rate increases as the CIP value share increases. For the 112 communities with the lowest CIP share, only 5 percent shift. For those with 10–19.9 percent of their assessed value in CIP, about one-fourth choose to shift. When the CIP share increases to between 20 and 29.9 percent, slightly more than half shift. Of those communities with a CIP value share greater than 30 percent, more than two-thirds shifted some of the tax burden from the residential and open space classes. In *Figure 1* it can also be noted that as the CIP share of the assessed value increases, communities are more likely to shift a larger percentage of the total levy share onto the CIP.

Most of the communities that chose a split tax rate in FY2000 have been adopting split rates for more than 10 years. In fact, since FY1988 the number of municipalities choosing to shift has remained fairly constant. The largest number to shift in any fiscal year was 107. About 114 communities in all have ever opted to shift, but five of these did so for one year only. FY1995 was the last time a community adopted a shift for the first time. Since that year, four communities have stopped shifting and not one new community has adopted a shift. The statewide CIP share of total assessed value has decreased from almost 26 percent to 21 percent since FY1986. Despite this, the CIP share of the total tax levy has stayed fairly constant at around 33 percent. In order to maintain this levy share, communities have increased the statewide CIP shift 30 to 50 percent. When looking at the *Figure 2*, this pattern can be easily seen. In addition one can note a slight increase in the statewide CIP assessed value share since FY1997, accompanied by a slight decline in the CIP shift. This is a trend to be watched over the next few years. ■

written by Regina McArdle
statistical analysis by Donna Demirai

1. See *City & Town* article of June 2000 for a fuller explanation of this option.
2. For further information on this topic, refer to the classification computer based training module (CBT) available on the Division's website.

DLS UPDATE

2000 Valuation of State-Owned Land

The valuation of state-owned land, undertaken once every five years, includes land eligible for Cherry Sheet reimbursement and specific Metropolitan District Commission (MDC) watershed land.[1] Overall, the new value of state-owned land, as of January 1, 2000 is more than $2 billion, a 50 percent increase from its 1995 level. The increase reflects not only a rise in land values across the Commonwealth but also acquisitions of land particularly by the Division of Environmental Management and Division of Fisheries and Wildlife, as well as by the MDC in the Wachusett watershed areas. The Division of Local Services' Bureau of Local Assessment (BLA) sent notices of the new state-owned land values to assessors throughout the state in mid-June.

Reimbursable state-owned land varies greatly in its purpose, location and size. It includes harbor islands, ski areas, state forests, endangered wildlife habitats, state parks and state prisons, to mention but a few. Properties are located in 288 communities in every corner of the state from Provincetown to Williamstown. Sites range in size from a fraction of an acre to over 20,000 acres. At project completion BLA tallied the numbers and found that it had valued over 500,000 acres.

The state reimburses communities for loss of tax revenues because the land is being used for public purposes and, therefore, is exempt from local property taxation. In all cases the compensation is for land only. For the watershed lands (Chapter 59), the MDC makes a valuation-based payment to communities from Massachusetts Water Resources Authority funds at the end of each fiscal year. The other state-owned land (Chapter 58) must have been on the municipal tax rolls prior to state acquisition to be eligible for reimbursement. Cities and towns receiving money under Chapter 58 see their payment annually in November. This year's revaluation will be used as the basis for the FY2002 Cherry Sheet calculations. The actual amount of the payments will depend on the funding level voted by the Legislature. The Cherry Sheet program is the larger of the two reimbursement programs. It includes 75 percent of the land, valued at more than $1.8 billion. The MDC watershed program has the remaining 25 percent of the land, which is valued at over $273 million.

1. M.G.L. Ch. 58, Secs. 13–17 and Ch. 59, Sec. 5G.

Small Commercial Exemption Eligibility

The small commercial exemption is one of the property tax classification options available to communities when setting the annual property tax rate. Under that option, the board of selectmen or mayor, with the approval of the city council, may exempt up to 10 percent of the value of commercial parcels occupied by qualifying small businesses.[1] The small commercial exemption lowers taxes on parcels occupied by small businesses and shifts those taxes to other commercial and industrial taxpayers. Eligible small businesses are defined as those having an average annual employment of no more than 10 persons.

If a business is a sole proprietorship or partnership, the assessors may now determine eligibility.[2] Previously, a sole proprietorship or partnership could not receive the exemption unless the Department of Labor and Workforce Development (formerly called the Department of Employment and Training) had certified that the business met the employment criterion in the annual list provided to local assessors. In many cases, however, otherwise eligible sole proprietorships and partnerships do not appear on that list because they are not legally required to file the reports used by the Department to determine annual average employment. The legislation also requires that the amount of any exemption applied to a parcel be shown on the tax bill.[3]

1. M.G.L. Ch 59, Sec. 51.
2. Chapter 159, Secs. 115–117 of the Acts of 2000.
3. M.G.L. Ch. 60, Sec. 3A.

Cape Communities Receive Land Bank Grants

Cape communities received letters from the Division of Local Services in November announcing the distribution of $4.5 million under the new Cape Cod Open Space Acquisition Program. The Legislature established this program with the enactment of Chapter 293 of the Acts of 1998, permitting each Cape town to impose an additional surtax of three percent of the amount of the tax bill on every parcel of real estate. All of the 15 towns in Barnstable County accepted the act.

As part of the Cape Cod Open Space Acquisition Program, the Legislature appropriated $15 million to fund the Cape Cod Land and Aquifer Protection Fund. Every Cape community is entitled to receive a grant from this fund. Subject to the availability of monies, the fund will provide an annual amount equal to 50 percent of the amount the town collected in land bank surtaxes during the preceding fiscal year. The amount of surtax collected in FY2000 by the 15 Cape Cod communities was $8,967,274. The 50 percent reimbursements total $4,483,637.

continued on page eight ➡

Municipal Fiscal Calendar

January 1

Assessors: *Property tax assessment date.*

Treasurer: *File IRS Form 5500 (report of employee benefit plan).*

School Building Assistance
➡ *continued from page one*

funding in the past two years, the waiting period for funding is expected to increase. Districts with approved projects may continue to do temporary borrowing to allow construction to start prior to the receipt of state funds.

The new statute, regulations, explanatory information, and other related materials are posted on the school building assistance page of the Department of Education's school finance website (finance1.doe.mass.edu). ■

1. St. 2000, Ch. 159, sec. 140.
2. 603 CMR 38.00.
3. M.G.L. Ch. 70B.

E-Mail Available

Need to communicate with someone at the Division of Local Services (DLS)? Why not use e-mail? Local officials can now go to the DLS website (www.state.ma.us/dls) to send an e-mail to individual DLS employees. To access the e-mail feature, click on Directory, then click on the office you wish to contact. Beside the name and telephone number of each DLS staff person are the words "Send e-mail" in blue. To send an e-mail, simply click on the e-mail link next to the name of the person you wish to contact, write your message, and send it. ■

Land Bank Grants
➡ *continued from page seven*

Funds collected under the Open Space Program may be expended, upon appropriation, for land acquisition purposes only. Any real property interest purchased with Land Bank funds must be retained in a natural, scenic or open condition. Monies from the Land Bank Fund may not be used to purchase land improved with buildings or other structures, or to demolish improvements to land. Each community has appointed a Town Open Space Committee to carry out the provision of the program with respect to acquiring open space. Property may be acquired only upon a recommendation by the Town Open Space Committee and a majority vote of town meeting, or in Barnstable, of the town council. ■

City & Town

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Jean McCarthy, Editor

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